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The Nation's Business . . .

Optimism Alone Will Not Produce Planes

Canada's greatest single contribution to the war effort is the billion-dollar air training programme. Hanson W. Baldwin, war editor, The New York Times says it is "the only Canadian effort that may have a major influence upon the outcome of the war."

Last week Hon. C. G. Power, Minister of National Defense for Air, admitted officially that the plan was in jeopardy. He is reported to have told a press conference that the shortage of twin-engined training planes might delay progress. He described the situation as only temporary, said it would be corrected in April.

Mr. Power's statement does not tell the whole story. Yet it is in sharp contrast to the unwarranted, misleading optimism of Hon. C. D. Howe, Minister of Munitions and Supply. Two weeks earlier, at a press conference, Mr. Howe was reported by the Montreal Gazette as saying: "We are absolutely protected for the air training plan."

The Toronto Globe and Mail reported Mr. Howe as giving "positive assurance that the Commonwealth Air Training Plan would be adequately protected not only for present training craft needs but for any expansion that the air force had in sight."

Mr. Power is now reported as saying that the air training plan is "on very thin ice as regards aircraft" and that this stage will not be passed until Canadian production starts.

* * *

When will Canadian production start?

Both Mr. Power and Mr. Howe apparently assume that production on Canadian-made Avro-Anson twin-engine bombers will not be delayed more than three months. At his January 31 conference Mr. Howe was reported as saying "it will take three months more before we can get them out." This suggests Canadian-built planes by the end of April.

Mr. Howe has only to consult competent aircraft manufacturers now engaged in this programme to know that such an estimate is fantastic. In fact, when he made his falsely optimistic statement he must have had available the contrary opinions of the leaders of Canada's aircraft industry.

Canadian aircraft manufacturers state that there can and will be no Canadian-produced Avro-Anson bombers by April. Even if drastic steps are taken now to remove the Federal Aircraft bottleneck it is doubtful if there will be production before July or August. No one will venture an estimate, because Federal Aircraft itself has apparently failed to produce reliable schedules as to when a flow of raw materials, parts, etc., will be available.

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As disclosed last week in The Financial Post, literally hundreds of key items for the manufacture of this plane have not yet even been ordered. In some cases manufacturers have not even received drawings which should have been available three to four months ago.

Until now, Great Britain has been shipping her own Anson planes back to Canada to help fill the gap. As well, another twin-engine bomber has been ordered from the United States. Delivery of these U. S. Cessna planes has failed, however, to keep pace with the rapid acceleration in the training programme.

How many more Ansons Great Britain will be able to provide is not known. The Financial Post is reliably informed that the Anson plane has become a vital element in the defense of Great Britain. As well as being an excellent training craft, the plane is doing important service in spotting and destroying "E" boats which operate around British waters. To meet this demand production of Ansons has been greatly increased in Britain of recent months. Presumably any machines which Britain spares will be at the expense of this part of the war effort.

So far, Mr. Howe has given no indication that he considers the Anson bottleneck in Canada sufficiently serious to warrant any change in programme, in personnel or in administration. Despite the advice of experts and of his own associates he is apparently satisfied to let Federal Aircraft carry on. The one change that has been made in Federal Aircraft is the appointment last month of a new general manager, W. A. Newman, who succeeded R. J. Moffett. Mr. Newman is an engineer of high reputation.

* * *

What has Mr. Howe done about the advice he received through his own colleague, Hon. Angus L. MacDonald, Acting Minister of Munitions and Supply, as to need for drastic reorganization of the Federal Aircraft set-up?

What has he done about the advice of his own War Requirements Board, and the report of Ernest R. Breech, chairman of the board, North American Aviation Inc.? Mr. Breech is a recognized authority on aircraft. He is understood to have made a report to the Government which contained very scathing comment about mismanagement in Canada's aircraft production.

What has he done about the advice of men like Victor M. Drury, president of Canadian Car and Foundry; Redmond Quain, president of Ottawa Car and Aircraft; Robert J. Magor, president and chairman, National Steel Car Corporation; Phillip C. Garratt, managing director, de Havilland Aircraft of Canada Ltd.; Morley Verity, superintendent, Massey-Harris Company; and Stanley Burke, president, Boeing Aircraft of Canada? The Financial Post last week published their proposals: that Federal Aircraft be dissolved.

What has Mr. Howe done about the advice of his own Defense Department in respect of the Federal Aircraft? Are Mr. Power and the men associated with him in the Air Ministry satisfied to let Federal remain as it is?

There is no more urgent business before Parliament as it meets this week than to explode the complacent optimism of Mr. Howe and to ascertain the real facts about production of training planes and the extent to which Mr. Howe's failure to deliver training planes in accordance with his repeated promises has jeopardized and is still jeopardizing Canada's ability to make good her air training programme commitments.

Ottawa's Bold and Wise Move

It was to be expected that the Provincial Government would object to the Dominion Government's decision to discontinue contributions to direct relief. The decision was much too good an opportunity for certain provincial politicians to make a political attack upon Ottawa.

The people of Canada as a whole will approve. Our war effort has reached a point where full employment has been practically achieved. In fact, the problem at the moment is to find sufficient labor to man all the war plants that are now in course of erection.

A stubborn and virile machine for handing out relief to able-bodied persons has been built up. Those who have been holding down excellent jobs handling relief are naturally loath to see their comfortable positions are jeopardized. But there is too much work to be done in Canada to permit anyone to draw a salary for handing out unnecessary relief.

The saving to the Dominion Government is approximately $7 millions. The Dominion has been paying 40% of the cost of direct relief, the provinces 40% and municipalities 20%. If the provinces and municipalities now make a thorough examination of relief rolls they will find that they too can save almost the entire amounts they have been paying.

During the fiscal year now ending, relief has cost Canada $33 millions. It is estimated that in the coming year it will cost the country $17 millions. Why should there be any need for $17 millions of direct relief when there are jobs for every able-bodied person who is willing to work?

The decision of the Government is to be commended. Instead of complaining about it, the provinces and municipalities should do a little searching to see if they too can find similar slack to take up.

Let Ottawa, Too, Change Its System

Every citizen in Canada has been asked to change his way of life to conform to the exacting demands of a war economy. In part, the appeal is for voluntary adjustments — to work harder and spend less, making the savings available for the war

(Continued on page 2, col. 3)

Mont. Tram Is Drafting Bond Plan

Extension of Maturity On $23.6 Millions of Bonds Likely—Refunding Is Blocked

From Our Own Correspondent

MONTREAL. — Montreal Tramways Co. is expected next month to put forward a plan to take care of $23.6 millions of 5% first and refunding mortgage bonds falling due on July 1 next.

These are the company's ranking security and, under other circumstances, normal procedure would be to raise new capital to redeem the bonds. Because of war and other conditions the company will be unable to do this.

Compromise Proposed

A compromise arrangement is proposed. Final details have not yet been settled, but early in March steps will likely be taken to avoid default.

The bonds are payable as to principal and interest in Canadian, New York and sterling funds. Probably more than half are held in the United States where they were first offered in 1911. The original offering amounted to $10,445,000. In 1916 another $2 millions block was placed on the market; in 1921, $1,750,000 and, in 1924, $3,266,000.

In addition $2,260,000 has been put up as collateral against the Series B bonds, of which $2,195,000 were outstanding at the end of 1939.

There are several factors militating against refunding of the bonds:

1. War conditions make it impracticable to finance in the United States.

2. The contract between the company and the city in 1918 is now being subject to examination by a commission appointed by the Provincial Government. It has not made a report yet.

3. The domestic market is incapable of absorbing an issue of this size.

On the other hand the company is solvent and earnings of late have improved substantially.

Because of inability to finance, due

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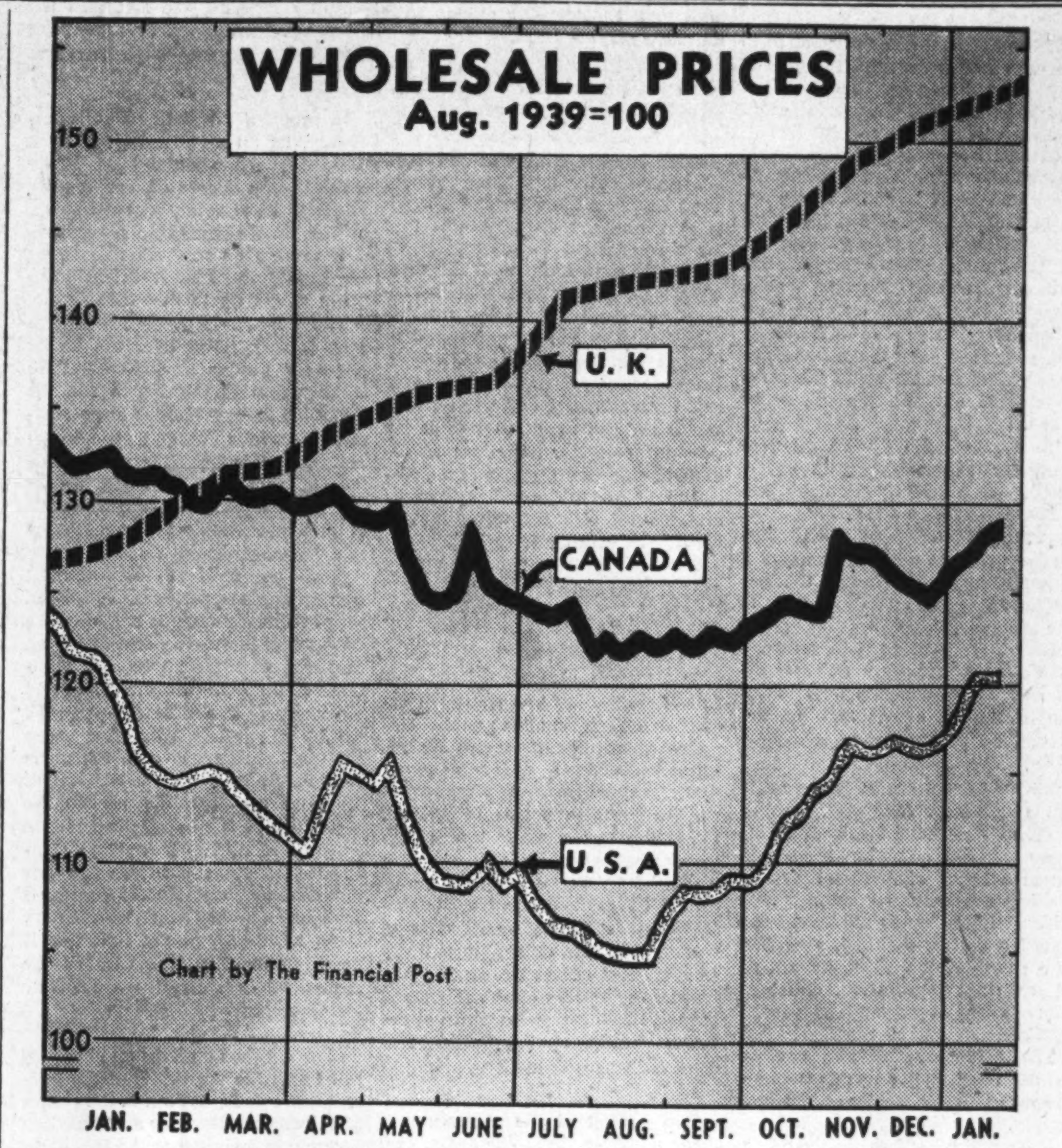

UP 30% SINCE WAR—

Wholesale prices in Canada have advanced almost 30% since the outbreak of war in Sept., 1939, compared with an advance of over 50% in the United Kingdom and 20% in the United States, according to indices computed by the Bank of Canada. The indices are not altogether comparable, the Canadian being based on a limited number of sensitive commodities rather than a complete range.

The chart shows that while prices in Canada and the United States have fluctuated moderately in recent months, with movements running almost parallel, United Kingdom prices have continued to advance steadily.

According to the Bank of Canada computations the greatest advance in Canada and the United States occurred in the first four months of the war. With the collapse of France and the overrunning of Continental Europe last spring there was a substantial decline as previously open markets were shut off.

As indicated by the shaded line, the rise in United States prices has not been as great as that in Canada. Apart from the fact that Canada was at war while the United States was not, the discount on the Canadian dollar in terms of American currency was a factor tending to make prices in Canada higher than in the United States. In 1939 the Canadian dollar dropped from around par early in August, until it was pegged at a discount of 10% to 11% in Sept., 1939.

The sharply higher level of United Kingdom prices is due largely to the great proportion of goods imported from other countries, at increasing cost. Ocean freight rates have been estimated as up 50% possibly on the average while marine and war risk insurance rates are up on the hundred per cent. The discount on the pound of about 7% compared with the prewar quotation is also a factor.

Meanwhile according to Dominion Bureau of Statistics computation, the cost of living in Canada has increased 4% from Dec., 1939, to Dec., 1940. Compared with Aug., 1939, the rise is about 7%.

Way Is Clearing For Seaway Pact

From Our Own Correspondent

OTTAWA.—Increasing and insistent pressure from the United States for a speedy conclusion of the St. Lawrence Seaway and Power agreement is bringing matters rapidly to a head.

Refusal of Premier Godbout of Quebec to permit the St. Lawrence debate to be reopened in the provincial legislature is taken as a clear indication that Quebec has swung into line and that some "quid pro quo" has been worked out to salve that province's traditional objections to further development of the St. Lawrence.

Unless there is an unexpected and now unforeseen rupture in negotiations it is believed that the agreement will be signed very shortly.

Ottawa Hesitates To Make Tourist Bureau Switch

From Our Own Correspondent

OTTAWA.—The suggested transfer of the Tourist Bureau from the Transport Department to a department in which it would fit more effectively, has made little progress.

It is generally agreed at Ottawa that the retention of the bureau in Transport is an anomaly, since nothing in this department now tends to make its senior officers tourist-minded. In former days when railways were the chief preoccupation of the department and its head officials were railroaders, this was not true. But today the department is rapidly becoming an aviation and radio control agency.

Many suggestions with respect to the Tourist Bureau have been made. Some would transfer it to Trade and Commerce, on the ground that travel is a form of trade. Others would place it with the Foreign Exchange Control Board which is so keenly alive to the value of increasing our supplies of U. S. dollars that it would receive the closest attention, or would give it to the Bureau of Information.

Gross Rail Earnings Move Upward

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway Co. reports gross traffic earnings of $3.5 millions in the week ended Feb. 14, an increase of $510,000, or 17.2% over the same week last year.

In the year to Feb. 14, gross earnings totalled $21.5 millions, an increase of $3.2 millions, or 17.3% over the corresponding period last year.

An increase of $528,794, or 12.1%, was reported in gross earnings of Canadian National Railways, for the week ended Feb. 14. Earnings in that week totalled $4.9 millions.

Cumulative gross earnings in the year to Feb. 14 were up 16.6%.

New Levies Drafted For Big War Budget

Varied Fresh Imposts Forecast as Ottawa Reveals Plan to Spend $2.1 Billions For All Purposes in Coming Year

Canada's fourth wartime budget, expected before the end of February, will have to provide for raising over $2 billions the Dominion Government expects to spend in the coming fiscal year. This is the lion's share of total estimated cost of all governments in Canada —Dominion, provincial and municipal—that will require more than half of the national income in the coming year.

To the extent that taxation is inadequate to provide this tremendous sum, plans will have to be laid for borrowing the balance, probably as much as $1 billion, from accumulated savings of Canadians.

Tax Changes

Taxation measures will be important. Although the Minister of Finance this week frowned on tax guessing, Ottawa discussed this week the following possible changes:

Another sharp increase in income tax, particularly in the middle, $3,000-$15,000 brackets.

An increase in the National Defense tax probably from 2 to 5%. It was denied this week that the rate would be increased to 10%.

Dominion succession duties.

Important changes in the excess profits tax which, while not changing the levy from 75% of excess profits, will provide a more generous base upon which it is calculated. The effect will be to reduce the weight of the tax and enable taxpayers to make somewhat greater profits.

There is no authoritative information regarding a Dominion amusement tax.

Whether or no the tariff will be changed is uncertain, but if so there will be substantial reductions in the British preference.

Lack of Economy

Non-war costs of the Dominion Government are being reduced, but largely by what may be termed fortuitous circumstances rather than planned and aggressive economy. Increased pace of industrial activity is counted on to eliminate the C. N. R. deficit. The same factor will play a major part in cutting off Dominion relief expenditures.

The result of the shuffle is a cut of about $18 millions in non-war costs of the Dominion Government.

That half of the income of all Canadians in the fiscal year 1941-42 is going to be spent by our various governments—Dominion, provincial and municipal—is the estimate of Hon. J. L. Ilsley, Minister of Finance.

He wonders whether Canadians realize what it is going to mean to have to pay in the form of taxes, or lend through purchase of bonds and war savings certificates, one half of this country's aggregate income. He is convinced it is going to mean unanticipated shifts in our way of living.

In the House of Commons this week, Mr. Ilsley broke down his estimate of the share of our income going to governments in the coming year, as follows:

Government Costs in Canada 1941-42

	millions of $
Estimated national income	5,300
Dominion Govt. to get:	
Direct war outlay	1,300
Repatriation U. K.-held secs.	400
Non-war costs	433
Total for Dominion	2,133
Bal. for other govts. & civilians	3,167
Prov and munic. govts.' share	575
Balance for civilian needs	2,592

War Effort Speeds

Momentum of Canada's war effort is gathering speed each month, judging by Mr. Ilsley's statement of the current trend. For the fiscal year closing next month, war expenditures started at about $25 millions monthly; held this level for the first quarter. Then they started to grow, reaching $84 millions in

(Continued on page 2, col. 3)

B. A. Oil Builds New Refinery

Spending $3 Millions on Plant to Produce Lubricating Oils and Greases

British American Oil Co. plans to spend about $3 millions on a new refinery to specialize in production of lubricating oils and greases, according to A. L. Ellsworth, president. Work is to start right away, and it is expected that the new plant will be in production before the end of this year. It will further relieve Canada's dependence on imported finished products and the foreign exchange necessary to purchase same.

First announcement of the new plant came from the office of Oil Controller G. B. Cottrelle. He has authorized B. A. Oil to go ahead with this plant, something which the company has had in mind for some time prior to the war development.

To be constructed near Toronto, the new plant will not only provide for all B. A. Oil's requirements for lubricating oils, but leave a surplus available for general Canadian use. Capacity of the new plant is to be about 10 million gallons of lubricating oil annually. In the process of refining this amount of lubricating oil, the company will also produce an additional 20 million gallons of gasoline, substantial amounts of fuel oils and other petroleum products.

Crude oil is to be brought from the United States by tanker to Montreal and then transshipped by B. A. Oil Co.'s own tankers to the refinery.

Has Own U. S. Funds

While much of the equipment and materials needed can be provided in Canada, certain types of equipment must come from the United States. B. A. Oil has arranged for its U. S. subsidiary to provide the U. S. funds needed to purchase any steel or equipment that has to come from that country. This arrangement, says Mr. Ellsworth, will permit the construction to be carried out without disturbing the existing balances of U. S. dollars.

The announcement from Mr. Cottrelle's office states that completion of the new B. A. oil plant will give Canada three sources of domestic output of lubricating oils and that "those heretofore importing will be able to obtain in Canada their requirements of lubricating oil." British American has itself been a substantial importer of lubricating oils and greases, although producing some in its present refineries.

The announcement is regarded by men in the oil industry as making less likely any rationing of gasoline in this country. It is another step in carrying out the oil controller's policy, as mentioned previously in The Financial Post, of having Canadian facilities to refine as large a proportion as possible of this country's requirements of petroleum products. When oil is imported in the crude form and the processing costs added in Canada, the foreign exchange requirements are minimized.

Contest Winner Out Nett Week

Judging of Portfolios Now Reaching Final Stage

Winning entry in The Financial Post's contest in "Investing in Canada's Mines" makes its appearance next week. Following weeks will see publication of the second prize winner and other honorable mention portfolios.

Marking of the 70 entries in the contest has involved an immense amount of work. Each entry is read by every member of a board of judges and an outstanding independent authority has been called in to aid in the final decision. Only after a most painstaking investigation can a winner be announced.

A number of entrants have included oil or other non-mining stocks in their portfolios in spite of the warning given in The Post. These entries are not being disqualified but will lose marks in judging for not meeting requirements fully.

One of the surprises of the contest has been the wide divergence of opinion as to the best policy to be followed in investing $25,000 at this time. Some of the entrants wanted most of the money in base metal stocks, others thought that only gold stocks should be held.

Practically all entrants agreed, however, that Canada's mining industry offers exceptional opportunities not reflected currently in the stock market now.

The War And Business . . A Weekly Round-up

No Saving, No Business

The need of recapturing as much as possible of the increased spending by the Government on war materials and supplies is bringing about a bit of gentle "squeeze" on business firms from Ottawa.

Manufacturers doing business with Ottawa have been informed that when next they tender on a Government contract, the degree to which their employees have subscribed for war savings certificates will be considered by the Government before the award is made. It is even suggested that this factor will be regarded in the same light as price, quality and promise of performance.

* * *

Lease-Lend & Canada

Although Britain's ability to meet her commitments in Canada has been theoretically strengthened by the lease-lend plan, it is now considered highly doubtful if the U. K. will be able to release any gold for Canadian payment. For political reasons, Britain's gold holdings both present and potential (under ground) may all have to be earmarked for the U. S.

How U. K. will finance Canadian purchases (apart from $300 millions of repatriation which Ottawa is making provision for) is still not clear.

Most practical consequence of the bill to Canada will probably be through substantial purchases by U. S. of defense "material" from Canada—perhaps even farm products.

* * *

Counter Attack?

Return of Hon. C. D. Howe from Washington has in no way cleared up aircraft production difficulties.

Present intention (apparently) is to launch in Parliament a counter attack on the Canadian aircraft industry.

The purpose, presumably, is to fight fire with fire and head off the condemnation of Government-owned Federal Aircraft which has arisen from every quarter.

Explanations

The Minister who recently admitted that the Air Training Plan was due to suffer from lack of twin-engined training planes feels there has been a misunderstanding.

When it was announced some weeks back that there would be plenty of planes to meet the needs of the training schools it was the "original" plan that was being referred to. The shortage of planes, it is now being stated, is because of the subsequent "speed-up" in the programme. Training of personnel, it is contended, can be advanced much more quickly than can the manufacture of planes.

Also, the press is said to have misinterpreted the recent reference to slow delivery of Cessna planes from the U. S. Here again it is the "speed-up" in programme not the plane delivery schedules that is said to be at fault.

These explanations all miss the vital point, namely that by April (at least) Canadian Anson planes may be vitally needed. Yet it may be July, August or later before these planes can be produced in volume.

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Carmichael's Job

When he returned from England, Hon. C. D. Howe announced that Harry Carmichael's new job at Ottawa would be "to see that industry is organized on the most effective basis possible." Mr. Howe was quoted as saying that:

"He will be Canada's chief trouble shooter, stepping into any factory where the output does not come up to expectations."

A Feb. 12 press release changes that. It shows his responsibilities will not be as broad nor his authority as sweeping, as Mr. Howe stated.

Mr. Carmichael is to be "joint" director-general of the munitions production branch of Munitions and Supply. He will be "chiefly responsible for production in the newly-created Canadian armament and gun industry."

This position will leave half a dozen or more "directors-general" in positions of equal responsibility.

Mr. Carmichael will operate only in the one field and not across the broad range of munitions production.

Wage Bonus

The $1.25 a week cost-of-living wage bonus under discussion for 130,000 railway workers carries much wider implications than the $8 millions it would add to rail payrolls.

Because living costs have risen more than 5%, any wartime or war-contributing industry whose wages are at or below the 1926-29 "ceiling" can apply for a bonus through a conciliation board. This is what the railways are now doing.

The amount of the bonus has been calculated at $1.25 per week. This is the same for all workers and industries which can "qualify." It is computed on the basis of a $25 a week wage — 50 cents an hour for a 50-hour week.

One question not yet answered: What about increases in living costs due solely to higher taxes?

In western Canada the cost-of-living bonus plan for coal miners deducts tax increases in living costs.

So far there is nothing to indicate whether these are excluded from the national calculations.

* * *

New Airdromes

Several thousand construction workers who it was hoped would be free by spring for other phases of war production will be required to carry out the $20 millions airdromes programme announced last week by Hon. C. G. Power.

The programme includes seven air bases, 200 miles apart, from Edmonton to Whitehorse to connect with Pan-American Airways Alaska system. Cost: $9 millions.

Remainder of the money is to be spent on new airfields on both Atlantic and Pacific coasts and to improve existing fields. This work will be linked with the posting of additional air force squadrons for coastal defense.

Northwest Airlines has made application to use four Canadian bases—Regina, Edmonton, Grande Prairie and Whitehorse — as fuel stops in a proposed Minneapolis-Alaska service.

New Bren Agreement

At least 150 contracts for war supply have been made on a management fee basis similar to the new Bren gun agreement tabled in the House this week. These are usually commitments where an established enterprise is asked to manage or expand facilities which remain the property of the Government.

Under the new Bren contract dated Oct. 31, 1940, the Canadian Government undertakes full responsibility for all guns and parts delivered. The British Government does not figure in the deal. The Government agrees to take at least 15,500 complete Bren guns, 29,500 extra barrels, 168,000 extra magazines also 16,000 Colt-Browning guns and 16,000 extra Colt barrels. Subsequent orders-in-council increased Bren gun capacity to 25,000-30,000 annually and authorized further plant expansion to permit manufacture of Boys anti-tank rifles. Total authorized plant and equipment expenditure at Feb. 5 was over $17 millions. The contract permits an engineering fee of $150,000 for services in designing, construction and equipment of plants, payable in five monthly installments, plus specific management fee rates on guns and parts. The Bren gun fee is $12.50 per gun.

War Costs

The sobering magnitude of Mr. Ilsley's budget figures was tempered to some degree by the fact that current year's expenditures are running below the forecasts. Mr. Ilsley's war cost estimate is $1.3 billion for 1941-42, with a possible further expenditure of $150 millions. This compares with $875 millions in 1940-41.

The item of $400 millions for repatriation of U. K. securities and assistance to Britain is $140 millions higher than the 1941 calendar year estimate placed on the record by the British Government recently at Washington.

In need of clarification is the low figure of $62 millions as the total cash outlay of Munitions and Supply for 1940-41. Mr. Ilsley did not indicate the total commitment of this department for 1940-41 or to what extent its expenditures, not yet matured, are involved in the $336 millions of outstanding accounts expected to accrue between now and March 31 next.

Make Sure You See—

Mines Major War Role
National Mining Number—p. 17-32.

Bread-Baking Costs Rise
Higher Costs Cut—p. 13.

Divided View On Oil Royalties
Uniform Ruling—p. 16.

at EATON'S

Good News from England!

OUR FIRST SPRING SHIPMENT OF "BURBERRY" TOPCOATS HAS ARRIVED

World-famed "Burberrys" . . . just unpacked from their boxes and ready for your selection at EATON'S now! See them! There's an impressive variety . . . and every coat displaying the masterly craftsmanship for which this London maker is noted! Colourfully patterned all-wool tweeds with that casual air! Rich West-of-England wool cloths in more conservative tones! Typical British raglan cut . . . so easy fitting . . . so comfortable to wear! Sizes 35 to 46 in the group. Make a point of seeing these fine topcoats at EATON'S.

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The Nation's Business

(Continued from page 1)

effort. But also in even larger measure it is backed by harsh but necessary decrees and higher taxes.

That is war and most people accept it as such without complaining.

* * *

If the individual must conform to a new wartime order of things is it any great hardship, then, for the political leaders of Canada to accept a change in their way of life?

Ottawa has engaged many able executives from civilian life to carry on special war jobs. There are 50 in the Ministry of Supply alone. But Ottawa will not give any one of them more than very limited authority in a very narrow sphere. Many of them occupy only advisory posts. They may plan and advise but only if it suits the purposes of the Cabinet Ministers will the plans be carried out and the advice be taken.

To anyone who knows the first thing about the businesslike way of getting the world's work done, and particularly of getting huge programmes of purchasing and production carried out with efficiency and dispatch, it is quite obvious that one major change in Ottawa's way of life is needed.

It is to appoint as "general manager" of war supply a business executive to co-ordinate and direct the placing of orders and the following up of production schedules.

* * *

No big business firm is run without centralized authority. No big business firm ever attempts to operate its affairs through a committee or a board of directors without making one man the channel into which authority is first concentrated and then diffused, according to a suitable plan, among a variety of assistant executives. Business gets results by naming general managers.

That's the way Ottawa can get results, much better results than are presently being achieved, in war supply.

If we had a Sir Joseph Flavelle as general manager of War Supply in Canada, there would be no bottlenecks such as the airplane mess that is now, according to official admission, going to hold up Canada's major potential contribution to victory, the British Commonwealth Air Training Plan.

* * *

Why does Ottawa not adopt a course that is so clear, so simple, so abundant in its assurance of efficiency, that it is the one obvious thing to do?

The answer is simple; Ottawa is not prepared to change its way of life; it is not prepared to do what it is asking, and in fact forcing, every citizen in Canada to do.

To put War Supply under one man would clash with established interests in the Government, perhaps to a considerable extent with the civil service itself.

This is the most charitable explanation possible for the stubborn refusal to take this necessary step.

* * *

Some day Mr. King will be forced to realize that the easy-going political ways of peace are not good enough to win a war. He will realize that for the political machinery to be altered in conformity with the commands of a war economy represents no greater sacrifice for the politician than control and taxes represent for the man on the street. People who are contributing over half the national income to governments and over a quarter of it for war purposes are impatient at the thought that the interests of a political system should stand in the way of the most efficient war effort of which this country is capable.

* * *

Wage Policy In Wartime

Will the Government's wage policy "touch off" an inflationary spiral? There is some sharp difference of opinion on that point.

The Government, it will be recalled, passed an order-in-council that presumably fixed a ceiling to wages. The ceiling was, in general, the 1926-1929 range and it was suggested that when the cost of living increased by 5% or more a bonus should be paid. While the Government's authority extended only to workers on war orders, to railway workers and others covered by the wartime extension of the Industrial Disputes Act, it was certain that the new government policy would influence all wage discussions.

* * *

The feeling of the government's labor advisers was, apparently, that war conditions would have a natural tendency to boost wages unduly and lead to gross inequities between groups in Canada. A cost-of-living-bonus policy would, it was thought, hold wage advances in check. Its inflationary effect would be less than that of uncontrolled wage advances. In England and the United States, where no such plan is in effect, increases that have been granted have changed basic wage rates and have therefore been more inflationary in their influence than those which will be permitted in Canada.

Organized labor, generally, does not appear satisfied with the new policy, although labor representatives on the National Labor Council approved it. Some labor leaders and editors assail the policy bitterly, apparently ignoring the fact that the alternative would easily have been a rigid ban on any wage increases or bonuses.

* * *

In practice the policy works unevenly, as an attempt to set up a fixed standard is bound to do. In the case of some classes of workers the 1926-1929 level actually represents a ceiling. In the case of other workers it is merely an invitation to apply for higher rates now, in order to bring wages up to that level.

The cost-of-living-bonus feature cannot work fairly over the whole range of Canadian earners. There is no cost-of-living bonus for the Canadian farmer. There is no cost-of-living bonus for the Canadian investor or any other citizen on a fixed income. There is no cost-of-living bonus or increased income for many of the employers who have to try to absorb increasing wage bills.

Moreover, it is pointed out that war demands sacrifice of all classes. Part of this sacrifice is borne in the form of an increasing cost of living, resulting from the increase in taxation. If these higher prices, due to higher taxes, are to be compensated for by "bonuses," then those who get the bonuses are escaping some portion, at least, of their share of the burden of sacrifice. When the cost-of-living bonus was introduced among coal miners in western Canada last spring, provision was made to exclude tax increases from changes in basic living costs. There is no indication as yet that this is being followed in the case of the government's general wage policy for war industry.

* * *

How big the increases and bonuses can be within the limits of the government's policy is seen in the claims of railway workers for an $8 million addition to their wages. An $8 million cost-of-living bonus for one group of workers, if allowed, would multiply itself many times before other groups had satisfied their own claims. Even so, only the more sheltered groups would benefit. What they got would rest, to a considerable extent, as a load on the backs of other groups in the community whose incomes are drastically cut by the war.

The Government probably put through this policy as the lesser of two evils; and in the hope that it would hold wage advances to reasonable limits. It remains to be seen if that hope will indeed be realized.

New Levies Drafted

(Continued from page 1)

December and $87 millions in January and forecasting a total war expenditure of $875 millions for the year ending March 31, next. Recent month's expenditures have been at a rate of about $1 billion annually, still well under the estimated rate for the coming year.

Up to Jan. 31 this year Canada's total expenditure on war account for the 1940-41 fiscal year has aggregated $538.8 millions. This is broken down by Mr. Ilsley as follows:

Canada's War Expenditures
10 Months Ended Jan. 31, 1941

	$000's
Militia services	268,686
Naval services	57,990
Air force	41,188
*Air training plan	86,294
†Administration	4,155
Munitions and supply	61,951
Other departments	18,540
	538,804

*Canada's share.
†Including internment, censorship, R.M.C., etc.

May Be Higher

This total does not include $27.1 millions war costs recoverable from the United Kingdom or other Allied governments. Mr. Ilsley also suggests that his estimate of the war expenditures may prove too low. Three factors, he says, will determine the final sum required:

1. Actual wastage of equipment and amount of ammunition actually fired, which will depend on the nature of the warfare that develops.

2. Amount of capital assistance necessary to expand production facilities, and the final division of such costs between Canada and the United Kingdom.

3. Canada's physical ability to produce and deliver war materials within the coming year.

A feature of Mr. Ilsley's plans is provision to use advances already made and investment in raw materials as a kind of revolving fund. This means that, as such advances are repaid, or raw materials delivered to manufacturers to be made into war equipment, the repayments can be used again without necessity of going back to Parliament for additional appropriations.

Lack of Economy

Failure of the Government to economize on non-war account became evident when Parliament resumed this week and estimates for 1941-42 were tabled by the Minister of Finance.

The budget calls for non-war expenditure in the coming fiscal year of $433 millions compared with $451 millions in the past year—a saving of $18 millions.

But this is only a 4% cut, and the manner in which it was achieved does not reveal any very aggressive retrenchment by the Government. The Government will save $14.7 millions this year because there will be no deficit on the National Railways. Elimination of unemployment relief grants cuts out another $18 millions.

There has been a rise in non-war expenditures, apart from these items, reducing the net saving to $18 millions.

Two Year Record

Last year, the first real test of the ability of the Government to economize on ordinary account, the estimates showed a reduction of $74 millions. In the two years, therefore, the utmost which has been achieved is a drop in non-war costs of $92 millions.

This failure to take a battle axe to peacetime expenditures is defended in Government publicity by listing the irreducible items which go to make up the total outlay, and the new items which are necessitated by such measures as unemployment insurance.

Thus, due to uncontrollable causes—given the enactment of such statutes as the insurance act—the Government had to find this year an additional $25 millions. This goes for increased debt charges, insurance, the census, freight rate subsidies, tax administration, old age pensions, etc.

The rigid items—including debt interest, war pensions, old age pensions, care of 1914-18 returned men, subsidies to provinces, freight rates, etc., combine to make a total of $269 millions.

All to Be Expected

The official view point, therefore, is that the economies which have been achieved are all that could be expected. All the Government had to work on was the difference between $269 millions and $451 millions and out of this $18 millions have been carved.

The great weakness in this argument, it is pointed out here, is that the Government is prone to think of economy in services rather than in personnel. There is a vast army of workers on the pay roll and owing to the war thousands more have been added to it. The civil service costs are running up toward $100 millions per annum and no effective drive has been put into the task of switching clerks and stenographers out of peacetime departments and into the war departments.

Effort Abortive

Some effort along this line was made early in the war but did not get farther than the transfer of a few hundred persons. Having regard to the decrease in straight peacetime operations, it is reasonable to expect that the transfer should be in terms of thousands, not hundreds.

To facilitate such savings the peacetime departments could be regrouped to reduce expenditure—instead of being maintained now in full strength doing little. Fisheries, which supports a Minister and deputy, could be joined again with Marine under a single head. Public Works with its large staff of construction experts could be dovetailed into a more active department, instead of going on a kind of wartime holiday.

Resounding Titles

Some of the war creations which are now revealed as having been chiefly window dressing to get the Government around dangerous corners, could be folded up without loss of effectiveness and with substantial benefits to the taxpayers. The National War Services Department is one such—with two highly paid deputy ministers and several branch heads with resounding titles and no responsibilities.

The Public Information Bureau, which is about the only real responsibility now remaining with National War Services, could be attached to a non-war department whose minister has time on his hands—say Mines and Natural Resources.

As it is, Public Works is down in the estimates for $12.8 millions, which appears excessive.

Individual items missed by Mr. Ilsley's none too sharp pruning knife, fairly leap at the eye. There is a tidy item of $109,650 in the Department of Agriculture for publicity and extension. Here appear a director, an assistant director, an editor grade two, publicity assistants, etc. Surely the Government might dispense with at least part of this staff.

There are publicity services in other departments and it is probable that, all told, the Government is spending up to $1 million on such services. Since much of this money goes for sheer party propaganda, it would be desirable to eliminate most of it.

Non-war Items

The non-war estimates are divided between ordinary account, $417.1 millions; capital account, $3.5 millions; special account, $11 millions, and Government-owned enterprises, $1.5 million.

Interest on public debt and other debt charges is the major item on ordinary account, totalling $151 millions, an increase of $6.9 millions over the current fiscal year.

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Page-Hersey Sets Record

Capacity Operations to Continue on Basis of Present Orders

Business of Page-Hersey Tubes, Ltd., was "largest in the history of the company" in 1940, according to C. L. Dunbar, president. Much higher tax provision and depreciation more than offset the gain in gross volume, however, resulting in lower net profits as shown in the financial statements reviewed elsewhere in The Financial Post.

Regarding the future, Mr. Dunbar states:

"Our plants have been, and still are, operating at capacity, and without venturing to make any prophecies for the future, we may say that the orders now on the company's books, ensure a continuance of full time operations for some time to come."

Plants Prove Valuable

The continuous tube mill, installed in 1939, enabled the company to cope with the demand for welded pipe from the war construction programme. The seamless plant, erected in 1931, "is now being used not only for the manufacture of boiler tubes required in the country's shipbuilding programme, and in the country's increased demand for seamless tubing in other branches of the war effort, but also directly in the manufacture of munitions, and we have been able, without the delay attendant upon the construction of a new plant, to furnish much needed implements of war."

Mr. Dunbar refers to the higher inventories made necessary by the increased activities of the company and higher costs of materials. He also mentions that wages were increased last August and the usual year-end bonus paid to employees.

Capital expenditures in 1940 required $357,236. Additions to plant and equipment included a new galvanizing plant, forging works, extension to the Welland office and improvements to the employees welfare building.

Rogers-Majestic Sale Ratified

Shareholders of Rogers-Majestic Corp. approved sale of all of the company's assets, except Rogers Broadcasting Co., to Small Electric Motors (Canada) at the recent special meeting. Sale price is $645,000, equivalent to $3 a share on combined A and B shares. It is planned to distribute this amount to shareholders as soon as arrangements can be completed.

At the meeting, shareholders were told that average earnings of the broadcasting company over the past four years had been $113,000 annually, after depreciation but before taxes. This compares with an average annual loss of $38,000 from the assets to be sold. It would be equivalent to about 52 cents a share on the 215,000 shares outstanding.

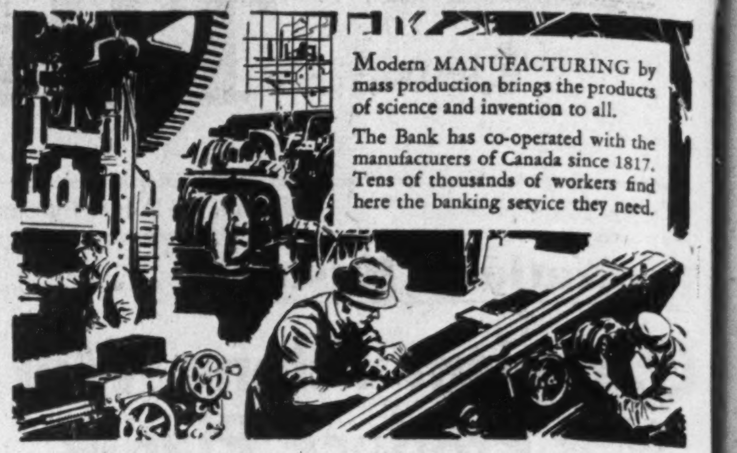
Two New Directors Join Catelli Food

Catelli Food Products Ltd. announces that Leslie F. Burrows, Ottawa, secretary of the Canadian Horticultural Council, and J. Aime Dery, Quebec City, president of St. Lawrence Paper Bag Co., have joined the board of directors. They replace the late Dr. Joseph Sirois and I. Rader, Vancouver, who is no longer connected with the company.

New President Chosen By Capital Trust Corp.

From Our Own Correspondent

MONTREAL. — Thomas D'Arcy McGee, K.C., of Ottawa, was elected president of Capital Trust Corp. at the annual meeting. He succeeds the late John J. Lyons. Mr. McGee has been a director and a vice-president of the corporation for some years.



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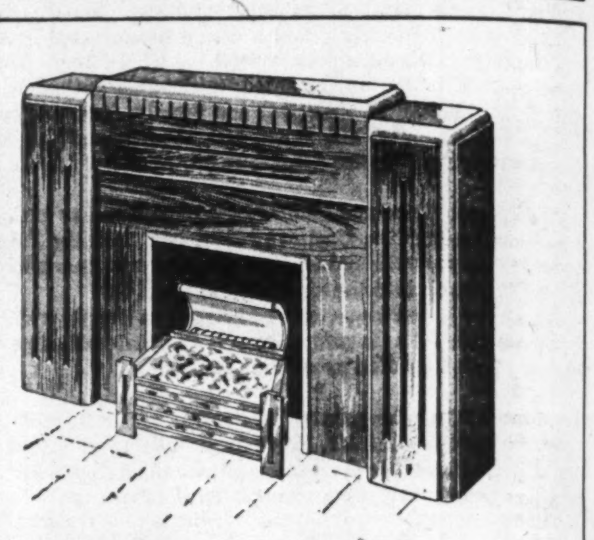

MODERN MANTEL with electric grate 32.95

This modern mantel with electric grate is not only a grand heater, but a welcome "finishing touch" to your living room or den. Wood mantel of attractive modern design in rich walnut finish; measures about 54 inches long and 44 inches high. The 1,320-watt electric grate, in oxidized or chrome finish, plugs into standard electric outlet. Hydro-approved for safety; element guaranteed for one year. Metal back-plate behind grate to protect wall. Mantel and grate, 32.95.

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This price is for Toronto and Suburban delivery. Freight and crating extra to outside points.

Simpson's SIXTH FLOOR

Commodities

War Crisis Has Little Effect

The threatening aspect of affairs in the Balkans and the Far East tended to strengthen commodity prices, but the effect was only temporary and a large part of the gains were subsequently lost.

As an influence tending to prolong the war, the developments of the past week would normally help to bring a substantial rise in prices. On the other hand, the feeling continues, in some quarters, that the war might end very quickly. Those who feel this way are not anxious to be caught with large holdings, if the war did come to an end.

Apart from this, prospects of heavy taxation and price controls in the United States as well as Canada have a dampening effect on speculative enthusiasm.

Price changes generally have been small.

Cotton quotations were a shade easier. U.S. mills continued to operate on a good scale but exports of the raw and finished product were lower than a year ago. Rubber rose as tension in the Far East increased but the price was lower when the situation eased. Prospects of the shipping situation becoming more difficult was the big factor in this situation.

Wool showed a stronger tone. The U.S. carryover of wool is estimated to be the smallest in years while consumption continues at a good pace. Hide prices were lower. Heavy demand for beef has resulted in a liberal supply of hides and buyers have been showing an independent attitude.

	Latest week	Previous week	Same week last yr.
Cattle	$9.75	$10.00	$7.50
Hogs	11.25	11.50	12.00
Copper, lb.	.12	.12	.11¼
Cotton, lb.	.1069	.1092	.1138
Rubber, lb.	.2037	.1990	.1913
Silk, lb.	2.57	2.57½	3.00
Sugar, raw, lb.	.0298	.0295	.0282
Wheat, Man. (bu.)	.75⅝	.74⅜	.84⅞
Coffee, lb.	.06	.05⅜	.05⅝
Hides	.12	.12¼	.13½
Weekly Indices			
Canada (D.B.S.)	85.0	84.8	82.3
Do., Wood, Gundy	67.5	67.4	68.4
U. S. Labor	80.5	80.6	78.5
Dow Jones (future)	55.49	55.95	59.53
Fishers'	85.4	85.7	84.6
Monthly Indices			
Canada (D.B.S.):			
Retail (Dec.)*	108.0	107.8	103.8
W'sale (Dec.)	84.2	84.0	81.7
U. S. (Nov.)	79.6	78.7	79.2

Note:—The base of indices is that 1926 equals 100. *Base 1935-38=100.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar—96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

Montreal Tram Drafts Plan

(Continued from page 1)

to no fault of the company, it is felt the only alternative is a compromise arrangement. Maturity of the first and refunding mortgage bonds will likely be extended for 10 years, or until 1951.

A longer extension would not likely be acceptable to bondholders for several reasons. Firstly, the contract with the city expires in 1953. Secondly, a longer extension would bring the maturity date into conflict with the general and refunding mortgage bonds which mature in 1955.

It is possible the company may ask for a call feature. In the event of re-establishment of corporate financing on a favorable basis within the 10-year period, the company would have the privilege of refinancing, probably on a lower coupon basis, and paying off the bonds.

A concession to the bondholders is likely to be the establishment of a sinking fund. At present these bonds do not carry a sinking fund feature. With the company's earnings on a better basis, such a step would be regarded favorably by the bondholders.

Inasmuch as the bonds are three-way pay, it is understood that discussions have been held by the company with the SEC and the Foreign Exchange Control Board, both of which are directly interested in the company's problem. These agencies are said to have shown a readiness to co-operate with Montreal Tramways in working out an equitable arrangement.

Claims Federal Aircraft Suffers Basic Weakness

Failure of Federal Aircraft, Ltd., to maintain its production schedule is not the only reason why the company should be condemned to the "scrap heap" in the view of Canadian Aviation, recognized authority on aircraft in Canada.

Says this authority:

"We believe that the king-pin job of design supervision should be in the hands of those responsible for putting the parts of the plane together. The drawing office and the supervision of component manufacture should be in the assembly plant, not in a Montreal office. This would mean providing those who will be responsible for putting a complicated jig-saw together with the authority to make sure that all the parts are going to be exactly right.

"Surely the experience of other jobs, such as the Lysander, the Hampden and the Bolingbroke production, has driven home this important lesson: Working to original drawings, some of them not up to date, it is certain that there will be errors. Unless these can be caught and checked constantly, not merely by draftsmen but by experts familiar with aircraft production, the only certainty in a confused situation is that we won't have the first Anson in the air next April.

"The responsibilities of Federal Aircraft should be transferred to the company responsible for assembly. Unless this intricate manufacturing job is supervised by men who know their business we can never hope for efficient production."

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Rockcliffe Park, Village of	Feb.	J. Graham & Co., Ottawa	3½%	1942-56	$16,200	102.44	.....
Coaticook, Que.	Feb.	....	3%	1942-47	14,700	100	.....
			3½%	1948-53	18,400		
			4%	1954-61	31,000		
Dominion—							
Canada Treasury Bills	Feb.	....	....	May 16, '41	40,000,000	99.845	.624%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Simpsons	Feb.	Wood, Gundy & Co.	4¼%	1951	$1,300,000	*100	4¼%

*Offering price.

High Class Cabin Camp

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TOURIST RESORT and PRODUCING ORCHARD with prospective revenue of $10,000

I am a person of independent means and am considering the purchase of an orchard producing an average net revenue of over $3,000 per annum. It is located in one of Canada's outstanding tourist centres and the property is particularly well adapted to the development of a high class cabin camp or a resort.

PARTNER WANTED FOR HALF INTEREST

To buy the property and orchard, mortgage free, build the cabins, etc., and provide working capital and a reserve will require $50,000. I am willing to put up half this sum in cash and am looking for a partner able to do likewise. The revenue from this composite enterprise should average $10,000 a year.

There is a modern residence with beautiful grounds for the use of my partner, who will supervise or take an active part in the enterprise. It offers all the amenities of city and country, schools, university, rivers, lakes, highway, and a choice of activities that can be as strenuous or otherwise as desired.

This is a unique proposition well worth your investigation

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London Calling

by Atticus

Australia's Menzies Popular London Visitor — Spaniard Fed With Nazi Lies Amazed to Find Old London Still Standing

LONDON.—It is good news that Mr. Menzies, the Australian Premier, is coming to visit us soon. A card from him at Christmas was a pleasant reminder of past acquaintanceship and, like many others, I shall be interested to see how far supreme responsibility has curbed the fire of his spirit and that splendid intellectual arrogance which could obliterate a sunset with a phrase.

Intolerance in a poor mind is a bore, but in a fine one it can be vastly stimulating. Undoubtedly Mr. Menzies, himself a distinguished lawyer, was much influenced in his bearing by the brilliant effronteries of the late Lord Birkenhead. In a Prime Minister, however, irony is a doubtful weapon, and one imagines that Australia's Premier may have left it in its scabbard for the duration of his premiership. He loves this country with a depth that is not lessened by his appraisal of our deficiencies. At one time he contemplated entering public life here, but fortunately for the Empire he sought and found his career in Australia. He will receive a magnificent welcome when he arrives, for it will be our chance to pay tribute to the glorious fighting of the Australians in the desert.

* * *

Lord Wakefield

Some years ago Jim Mollison, the airman, set off alone across the Atlantic, intending to make the round trip there and back. The public had become jaded by single flights and so the double one was planned. As usual, the late Lord Wakefield was the financial backer, for more than any other man he supplied the sinews for the conquest of speed. Off Newfoundland, however, Mollison ran into a fog and had a terrible, drawn-out ordeal that would have broken almost any other man. When Lord Wakefield heard of it he called Mollison on the transatlantic telephone and absolutely forbade him to make the return trip by air. That was typical of the man. He was constructive but never reckless.

His recent death at the age of 81 marks the passing of a man who in his public and private life dignified the title of citizenship. He came from Liverpool, and never lost the buoyancy which seems inseparable from Lancashire.

* * *

A Spanish View

When Senor Alcazar de Velasco, a new Attaché to the Spanish Embassy, came to England the other day he expected to find London in ruins and with a serious shortage of food. He says that the Germans run free cinemas in Spain giving pictures of the war, and, by presentation of actual scenes of destruction in London, they contrive to give the impression that nothing is left standing. In addition, the Germans circulate many magazines, free of cost, printed in Spanish.

According to Senor Alcazar, General Franco and Senor Suner are a harmonious one in all things. As for the Phalangists, they imitate some of the Fascist technique, but have no such objectives as Nazism or Fascism. Continuing, he said that Spain would never permit any nation to invade its territory, and would fight to the last to prevent it.

"I do not understand your attitude toward your Communists," he said as we parted. "There were only 18,000 Communists in Spain, but they brought on the civil war. Why do you not learn our lesson here in England?" Altogether, Senor Alcazar de Velasco brings a fresh mind to battered old London, and I can imagine will set a new standard in diplomatic candor.

MR. MENZIES

* * *

A Gallant Leader

A young man of 25 stood beside two or three Polish airmen recently and received a decoration for gallantry from the Polish Foreign Minister. He was slim, with fine features and delicate hands. His face had little color, and only a curious hardness about the mouth denied the idea that he might have been a poet or an artist.

A year before the war he came from Winnipeg and took a permanent commission in the R.A.F. When the balloon barrage was being prepared it became necessary to test the exact effect that contact with the cables would have on airplanes. The young Canadian volunteered and crashed the cables 18 times. For that he was awarded the Air Force Cross. Later in the war he was given command of the Polish Squadron formed here after that country's collapse.

Now he has been given another command, but Poland has added her honors to ours. His name is Squadron-Leader Kent, and from his appearance he might have been a poet—but I would hate to be the German looking at those eyes and mouth behind a gun.

May Postpone Ocean Air Plan

C. P. R. Trans-Pacific Service Seen as Post-war Development

From Our Own Correspondent

VANCOUVER.—While Canadian Pacific has reportedly acquired airlines for consolidation into one major service, operating between key cities and into northern areas, rumored plans for extending its air route across the Pacific will probably await the return of peace.

Before the war plans for a trans-Pacific air service touching at Vancouver and possibly routed through Alaska and Siberia, were being studied by British and Canadian authorities. Imperial Airways representatives visited Vancouver to make preliminary surveys for such a service. At the time it was planned to make Trans-Canada Air Lines the link between air routes across the Atlantic and Pacific.

Meanwhile there are reports, so far unconfirmed, that the air service to the Yukon—now said to be C.P.R. controlled—will be extended through Alaska to Siberia and on to China and Japan. This would provide an air link in the company's all-red route around the world, maintained in the past by steamship. However, air service in Alaska is now controlled by Pan-American Airways (U. S.) and if operating rights through Alaska could not be obtained, it might be necessary for C. P. R. to run direct across the Pacific.

C. P. R. Extends Interests

According to reports current here, C. P. R. not only controls Canadian Airways but recently took over Yukon Southern Air Transport, which runs planes between Vancouver and Edmonton and the Yukon; Ginger Coote Airways, which operates between Vancouver and west coast points on Vancouver Island; Mackenzie Air Services, flying into the Mackenzie River basin from Edmonton. The company is reported to be negotiating for an interest in Wings Ltd., operating in Manitoba and Ontario; Arrow Airways in Manitoba and Starratt Airways.

It is suggested these moves pave the way for a second major airway system, controlled by the C. P. R.

By next summer Yukon Southern will have six big passenger planes in service operating into the Yukon and possibly to Alaska. They will be either de Havilland Flamingoes or Douglas DC-3's.

CBC's Political Policy Slated for Revision

From Our Own Correspondent

OTTAWA.—Seeking some escape from the confusion with respect to political or controversial broadcasts over privately owned networks which has arisen in recent weeks, the broad question involved has been referred to the Board of Governors of the Canadian Broadcasting Commission.

It is the present expectation that there will be a House of Commons committee on radio and if so this is probably one of the questions which will be submitted to it.

The issue has arisen because Premier Bracken spoke on the Sirois report over a provincial hook-up in Manitoba, while Col. George Drew, Conservative leader in Ontario, was refused the right to speak on the same subject over a hook-up in Ontario.

Some Facts Clear

A few facts with respect to policy are clear. Political or controversial speeches have been banned on the CBC and all CBC stations as from January 1940.

The policy with respect to other stations, commonly referred to as private stations, is not clear. It is understood that a man may make a political speech over such stations, singly or in network, provided the stations give him the time free and provided these stations arrange that the opposing point of view shall be heard. Since this would cost private stations heavily, it has been in effect a ban. In Manitoba, however, the Provincial Government owned the stations over which Mr. Bracken spoke so that Mr. Bracken had a distinct advantage over Col. Drew.

An arrangement of this kind being plainly unfair and unworkable, some new regulation is now believed necessary.

N. B. Forest Output Higher in 1940

Production Estimated at $41 Millions, Against $28.5 Millions in 1939

From Our Own Correspondent

MONTREAL. — New Brunswick's forest production in 1940 had a value of $41 millions. This compares with $28.5 millions in 1939, according to Hon. F. W. Pirie, Minister of Lands and Mines.

A total of 275 million ft. of sawn lumber valued at $9 millions was exported through New Brunswick ports last year, while the amount of pulpwood, pitprops, etc., which was exported had a total value of $7 millions.

More Pulpwood Used

During 1940 a total of 738,000 cords of pulpwood were manufactured in the province's six pulp and paper mills, and the products in the form of newsprint, Kraft, paperboard and pulp exported had a total value of $18 millions.

To these figures must be added the value of forest products used in New Brunswick or shipped to other parts of Canada, which is estimated for 1940 at $7 millions.

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• If you would like us to explain in detail, come in or phone.

Crown Trust Company

Executors :: Trustees :: Financial Agents

MONTREAL TORONTO

The Post-Bag

"Short of War"

Shrewd Washington observers are inclined to scoff at the phrase "short of war," freely used in reference to "aid" measures.

It will not be a deliberate and calculated act of policy on the part of the United States that will involve that nation in the European war, they point out. Nor will the United States be "dragged" into the war by Britain. The man who will put the United States in the war will be Adolf Hitler, who will create the necessary series of incidents when it suits his book.

* * *

C. A.'s at Premium

One phase of the war effort which has not been stressed is the growing scarcity of chartered accountants. The R.C.A.F. made a drive for these men and now has 400 in uniform. One inducement offered was that they could make more money in the Air Force than in civil life. As a consequence there is a shortage of chartered accountants. Industry is bidding for the services of those who have not enlisted. And to top off the story, the Government is bidding against business, with the Foreign Exchange Control Board—an agency of the Government — offering more pay than is received by those in the civil service.

* * *

Taxes and Business

Quebec newspapers are much worried about Ontario's tourist advertising. Much is being made of the fact that in Ontario there are "no taxes on meals, no amusement taxes, no local sales taxes to pay and no toll bridges."

This is taken as a direct slap at Quebec where each of these levies must be paid by both tourists and by the home folks.

Thus does Quebec learn home truths; that petty taxes are always bad for business.

* * *

Irrepressible Mitch

A business man reports an incident that occurred at a recent dinner. We pass it on without comment.

At the dinner Mitchell Hepburn, Premier of Ontario, ordered a Winnipeg goldeye. Then he called the waiter back: "Cut the head off."

A friend asked him: "Why did you ask him to cut the head off?"

"Mitch" replied: "The eyes remind me too much of John Bracken."

* * *

"Shall" and "Will"

W. A. Shannon, of London, Ontario analyzes the use of "shall" and "will" by Mr. Churchill in those stirring words, addressed to President Roosevelt, with which the British Prime Minister concluded his broadcast Sunday before last. Mr. Shannon thinks Mr. Churchill used all the words in their regular meaning as follows:

"WILL — simply expressing futurity, being in the third person;

"SHALL NOT—simple futurity, being in the first person;

"SHALL NOT — again simple futurity, being in the first person;

"WILL—Simple futurity, being in the third person;

"But the last WILL is not simple futurity but "determination."

Mr. Shannon offers this bit of doggerel as a guide to "shall" and "will":

"In the first person simply
SHALL foretells.
"In WILL a threat or else a
future dwells.
"SHALL in the second or third
contains a threat.
"WILL simply then foretells a
future feat."

The Choice of Discerning Men

ACME GLOVES

When buying gloves, always look for the ACME trade mark — your guarantee of distinctive style, fine quality and long service.

ACME GLOVE WORKS LIMITED MONTREAL

JOHNS-MANVILLE Building Materials

• FOR INDUSTRY

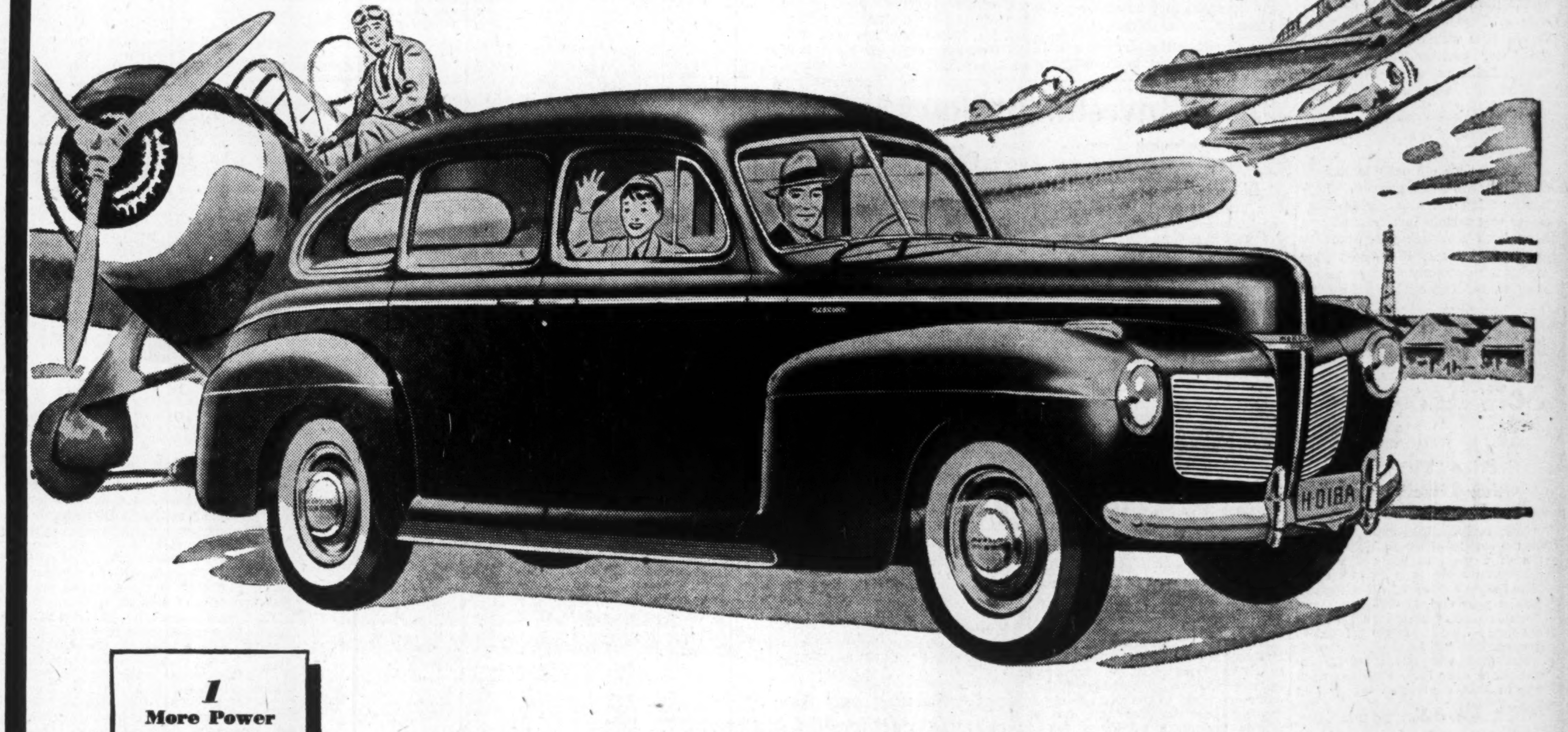
Speed the work of plant expansion with • J-M Built-Up Asbestos and Asphalt Roofs • J-M Roll Roofings • J-M Insulating Board • J-M Asphalt Tile Flooring • J-M Rock Wool Insulation • J-M Asbestos Wall Boards • J-M expert Acoustical Service and Materials.

• FOR THE HOME

Modern materials that protect against fire, weather and wear. J-M Cedargrain Asbestos Siding Shingles • J-M Asbestos and Asphalt Roofing Shingles • J-M Rock Wool Home Insulation • J-M Asbestos Flexboard and Wainscoting • J-M Decorative Insulating Board products.

CANADIAN JOHNS-MANVILLE CO., LIMITED
Mine and Factory - Asbestos, P.Q.
TORONTO MONTREAL WINNIPEG VANCOUVER

BIG, FAST, BEAUTIFUL, but Thrifty to Operate!



1 More Power — Embodying aviation principles of design, the new Mercury gives more power per pound than most other cars.

2 More Room — Body lines and doors flare out over the running boards to gain extra width inside where passengers can use it.

3 More Rubber on the Road — New, larger tires, wider tread, combined with scientific springing, give the new Mercury road-hugging stability.

MEET the big, fast, smooth-cruising 1941 Mercury. The graceful sweep of its rhythmic styling is modern, but definitely in good taste. Its smooth body lines and doors sweep out over the running boards, adding extra width to the luxurious interior. The long curve of the roof provides unusual headroom, front and rear.

Now get behind the wheel and sense the road-smoothing effect of Mercury's sensational Triple-Cushioning ride. Feel its instant responsiveness, the liveliness of its getaway.

Under the Mercury's long hood is one of the most efficient engines on the road today—just about the last word in smoothness, liveliness and economy. "I averaged 24 miles per gallon for the entire 5000 miles in winter weather," says an enthusiastic Mercury owner.

Step into the Mercury Showroom and discover why Mercury, in two short years, has become one of the outstanding motor car successes of modern times. See—and ride in—the Mercury.

$40 a month with reasonable down payment buys any new Mercury 8.

Drive a MERCURY-8

Investment Trends

Stock Decline Pointing To Test of June Lows

Approach of Crisis in War Hard Blow to Already Weakened Investor Confidence—Solution May Appear By Early Spring

Out of the marked weakness in stock markets in Canada and the United States over recent weeks, one significant point is emerging. A real test of the panic lows of last June is in the making. When the Toronto Stock Exchange industrial share index closed on Feb. 14 at 90.20 it was only about four points above the June low.

If stock markets did successfully hold above last June's levels and then followed this with a convincing rally, taking prices above the recovery highs of last November (around 106.37 for the Toronto index), a most encouraging pattern would be established, suggesting a continuation of the upward trend. On the other hand failure of this level to hold would leave no established resistance points unless one goes back to the lows of early 1938.

Like Canadian markets, those in the United States are nearing this former point at which strong enough resistance developed to halt the May-June decline. Measured by the Dow-Jones industrial index this point is 111.84, compared with the Feb. 17 closing level of 119.18.

Stocks have thus retraced 78% of the long recovery from last summer's lows in Toronto and 75% of it in New York.

* * *

Forecast Risky

There appears only one major factor accounting for the lack of confidence on the part of investors. Headlines in recent weeks have featured events apparently leading inexorably toward a crisis in the war. Where it will come is far from clear, so indistinct in fact that many suggest it may come in three quarters at once.

Whether it is the Mediterranean, the Far East or the more important centre of Britain itself, all this is enough to account for the fears of investors. In fact so clear has this been that a favorable turn would quite possibly be followed by a sharp improvement in sentiment. Investors would likely find that prevailing prices have already discounted much of the worst that is likely to happen.

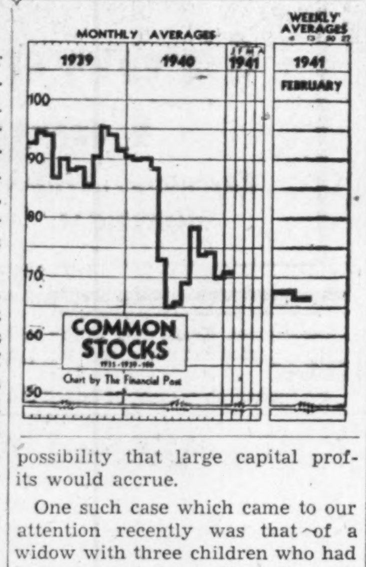
For venturesome souls, it is worth remembering that the end of March may see events clearing one way or another to permit more attention to the basically strong situation which can be found in business conditions at home. If precedent can be relied on this time, the next important move in the war should be taking shape by that time.

At home we will know from the Dominion budget what must be faced in the way of taxation and restrictions on our ordinary life. Accompanying this should be continued growth of business activity, both in Canada and in the United States. It is well to remember that the latter country still exerts a strong influence on sentiment in Canada.

* * *

Investigate First

There seems to have been a recurrence of an old trouble among Canadian investors recently. Letters reaching The Financial Post indicate that certain investment firms have been persuading investors to trade established, dividend-paying stocks for distinctly speculative securities, holding out as a lure the



possibility that large capital profits would accrue.

One such case which came to our attention recently was that of a widow with three children who had been persuaded to sell stocks such as B. A. Oil, Hiram Walker preferred, Steel of Canada preferred and Montreal Power, to buy preferred and common shares of B. C. Pulp & Paper. In addition to selling the seasoned stocks mentioned, there was an additional capital investment of about $1,000. The bait used in this case was the promise of tremendous prosperity for B. C. Pulp & Paper and capital profits.

Now it is too late to do anything for this particular widow, but it is not too late for a word of advice to any others who may be contemplating this or similar deals.

Do not wait until after such a deal has been completed to investigate.

Brown Co. Net Sharply Higher

Big Pulp Producer Records Notable Gains in Past Year

From Our Own Correspondent

MONTREAL.—Consolidated operating revenues of Brown Co. and its Canadian subsidiary, Brown Corp., showed an improvement of more than $4 millions for the fiscal year ended Nov. 30, 1940, as compared with the preceding 12 months. This was after reserve for income and excess profits tax, but before deferred bond interest, according to a statement issued by the trustees.

The trustees also reported progress in working out details of the reorganization plan. While it is hoped that the plan will be completed this spring, it is pointed out its complexity and the necessity for getting approvals from United States and Canadian governmental agencies, make it impossible to set a definite time limit.

Sales Up $7 Millions

Consolidated earnings last year before depreciation, depletion, interest and income taxes, were the largest since 1920. Consolidated net sales of $24,957,570 compared with $17,560,170 in the previous year.

Net income amounted to $3,711,046 after reserve for income and excess profits taxes but before depreciation and deferred bond interest. After depreciation of $1,545,545, but before deferred bond interest, net income was $2,165,501 in 1940. This compares with net loss on the same basis of $1,857,476 in 1939, and improvement of over $4 millions.

Working Capital Up

A large gain in net working capital took place in 1940. Net working capital increased $1,923,853 for Brown Co. and $1,268,755 for Brown Corp., making a total consolidated gain of $3,190,817 after adjustments for inter-company accounts, but before provision for deferred bond interest or sinking charges on funded debt.

The improvement in operating results enabled Brown Co. and its subsidiary to make plant expenditures of $847,294 in the past year.

The first eight weeks of the 1941 fiscal year, as reported by the trustees, showed consolidated earnings before depreciation and deferred bond interests of $711,939. After depreciation of $226,011, but before deferred bond interest, net earnings were $485,928 compared with $140,024 for the like period of the previous

Goodyear Tire Official Drafted by Ottawa

R. C. Berkinshaw, general manager and treasurer of Goodyear Tire & Rubber Co. of Canada, has been drafted for the post of director-general of the priorities branch of the Department of Munitions and Supply. Mr. Berkinshaw has been with the Goodyear company since 1920, when he joined the legal department.

Investment Notes

International Nickel — Shares of this company were held by 37 out of 57 U. S. investment trusts at the end of 1940, according to Barron's, the New York financial weekly. Most popular stock was Chysler, which was held by 45 investment trusts. International Nickel actually ranked sixth judged by this standard of popularity.

* * *

B. C. Power, Class A—These shares are included in a recommended portfolio by the Investors' Chronicle, London, for those who wish to avoid the obvious dangers of investments in Britain. Though admitting the danger that these shares may be requistioned, the writer points to the improvement in industrial activity in British Columbia as an attraction.

* * *

C. P. R. Preference—These shares are being recommended in Great Britain as "an attractive medium" for the reinvestment of funds made available when U. S. securities are taken over by British authorities. The Investors' Chronicle says "those who desire speculative chances can make a combine purchase of the preference and common shares."

* * *

Bathurst—Financial statement for last year is expected to make its appearance shortly. If the company follows the practice adopted by other operators in the same field of making provision for the excess profits tax on a minimum basis, earnings available on the Class A stock will amount to around $1.75 a share.

* * *

SEC summary of December security transactions include the following of Canadian interest:

Canada Dry—C. S. Munson, director, decreased common 100 shares to 500.

Canadian Pacific—L. J. Belnap, director, acquired 1,000 common shares, holding that amount.

Robert Gair—G. W. Brown, Toronto, director, holds 455 common and increased preferred 5 shares to 255. G. E. Dyke, officer and director, holds 100 common and increased preferred 50 to 1,550.

Granby Consolidated Mining—J. B. Beaty, officer, increased 1,000 shares to 3,500.

International Nickel — Thomas Morrison, director, gave away 2,560 common, leaving 27,637 and also holding 1,600 7% preferred.

International Paper and Power—J. H. Hinman, officer and director, holds 307 common shares, 207 5% preferred and acquired 100 common warrants, holding 100. Ogden Phipps, director, holds no shares directly; a holding company in which Mr. Phipps holds an undisclosed interest owned 138,630 common, decreased 5% preferred 200 to 26,415 and decreased common warrants 1,300 to 115,731. Mr. Phipps also owns an undisclosed proportion of 450 5% preferred held in trust.

Nipissing Mines—E. P. Earle, officer and director, increased 2,500 to 10,600 and held 3,400 through Nipoch Corp.

Nordon Corporation—T. H. Work, officer and director, increased common shareholdings 4,000 to 15,100.

Hugh Mackay and Co. Revamps Partnership

From Our Own Correspondent

MONTREAL.—Partnership changes are announced by Hugh Mackay & Co., members of the Montreal Stock Exchange and Montreal Curb Market. J. E. Van Buskirk and A. S. W. White have withdrawn, and a new partnership has been formed, having the following general partners: Hugh Mackay, Arthur S. Torrey and R. B. Ashby.

Bell of Canada Sets Record

More Stations Now in Service Than at Any Other Time in History

From Our Own Correspondent

MONTREAL.—Stations in service on the system of the Bell Telephone Co. of Canada at the end of 1940 numbered more than at any other time in the history of the company. At the year end, 824,697 telephones were in use, of which 289,777 were business and 534,930 resident phones.

Net gain was almost 40,000 installations over 1939. Previous peak was in 1930, depression low was in 1934.

Larger Outlay in 1940

Expenditures by the company in 1940 for new construction amounted to $12.7 millions, a substantial increase over the previous year. Net additions to the company's fixed capital account amounted to $5.5 millions, as compared with $5.1 millions in 1939.

Buildings to house new dial central offices were completed at 16 points in the area served by the company. In addition a combined office and equipment building was completed in London. At the end of the year there were approximately 560,000 dial operated telephones, constituting 96% of the telephones in those exchanges where dial service is given, and 67.9% of the total company telephones.

During the past year long-distance revenue was $11.3 millions, an increase of 17.4%. The rapid increase in toll traffic, due mainly to activities arising out of the war, necessitated expansion of the long-distance circuits.

Traffic over the Trans-Canada System continued to expand at a rapid rate during 1940. Number of calls handled was approximately 36% greater than in the previous year.

Telephone service to Newfoundland, which was discontinued at the outbreak of war, was re-established in June, 1940.

Marcus Loew's Cuts Preferred Arrears

Marcus Loew's Theatres Limited, Toronto, has declared an extra payment on account of arrears on its 7% preferred stock of $1.75 a share. This will be paid, along with the regular distribution of the same amount, on March 31, 1941, to shareholders of record March 15. Arrears at March 31 this year, after allowing for the above payment, will be reduced to $5.25 a share.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg., mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
	(Base 1935-39=100)											
1929-39:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.7
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1940: Monthly Figures:												
Jan.	107.4	122.0	116.5	78.2	128.0	113.9	107.9	108.3	92.3	103.3	90.7	90.9
Feb.	103.8	116.5	116.0	79.4	134.4	114.8	106.8	105.5	90.8	103.0	89.9	90.2
Mar.	107.2	114.0	113.7	78.0	135.4	115.6	107.9	105.3	92.0	104.0	93.4	90.3
Apr.	105.9	122.4	113.0	74.1	135.7	115.0	109.9	105.2	93.2	102.4	93.4	88.4
May	82.0	81.1	91.5	62.6	119.3	102.7	94.0	83.2	78.3	97.4	78.2	73.3
June	74.5	65.2	74.1	50.3	104.2	89.7	85.2	74.3	70.8	91.3	71.0	65.5
July	73.5	69.2	78.1	50.8	110.4	90.8	91.0	73.5	70.9	85.5	70.4	66.1
Aug.	78.7	76.2	80.6	52.4	114.0	93.5	95.9	77.5	73.2	88.1	73.6	69.3
Sept.	85.5	82.1	95.5	60.7	121.4	101.6	99.5	87.0	77.2	82.9	78.0	75.8
Oct.	84.0	80.1	93.5	56.2	120.8	101.4	99.5	88.9	76.9	91.9	77.0	74.2
Nov.	86.0	82.6	81.4	54.5	121.5	100.7	105.8	91.2	76.2	92.7	78.2	74.5
Dec.	78.6	76.7	75.2	48.7	116.8	99.6	106.5	87.6	75.6	94.6	76.4	70.3
1941: Weekly Figures:												
Jan. 9	77.6	75.8	72.6	52.2	114.9	99.0	105.7	86.2	76.6	95.4	78.1	71.5
Jan. 16	78.9	76.2	72.6	53.0	113.0	96.7	104.9	86.0	76.5	95.0	78.5	72.6
Jan. 23	77.5	73.8	71.2	50.9	110.4	95.2	102.9	83.5	74.5	94.5	76.6	71.0
Jan. 30	76.0	71.5	72.1	50.7	108.8	94.7	101.4	81.4	73.2	93.6	75.2	70.0
Feb. 6	74.1	66.6	71.1	49.0	106.5	93.3	98.3	78.9	70.8	91.8	73.1	68.9
Feb. 13	73.5	65.3	69.2	49.2	105.6	91.9	98.1	78.2	69.8	92.3	72.2	67.1
Mo. ago	78.9	76.2	72.6	53.0	113.0	96.7	104.9	86.0	76.5	95.0	78.5	72.6
Yr ago	105.0	118.5	117.4	80.2	134.7	114.7	107.7	106.9	91.4	103.0	90.3	91.0

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Feb. 18	90.93	99.20	63.28	19.29
Feb. 17	90.67	98.63	62.99	19.38
Feb. 15	90.38	97.92	62.40	19.18
Feb. 14	90.20	97.36	62.40	19.18
Feb. 13	91.46	98.81	63.35	19.34
Feb. 12	92.71	100.75	63.84	19.81
Month ago	100.26	107.64	67.46	21.29
Year ago	122.66	116.25	82.96	29.60
High 1941	103.48	109.76	69.33	21.62
Low 1941	89.66	97.36	62.40	19.10

Montreal Stock Exchange Average

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Feb. 18	49.3	56.7	54.2	63.09	76.63
Feb. 17	49.2	56.8	54.3	63.99	76.94
Feb. 15	49.4	56.8	54.3	64.93	76.85
Feb. 14	49.7	56.9	54.5	65.79	77.02
Feb. 13	49.7	57.5	54.9	66.08	77.45
Feb. 12	49.8	58.6	55.7	67.42	77.73
Month ago	53.0	64.9	60.9	78.82	79.37
Year ago	67.1	86.8	80.2	131.41	91.79
High 1941	54.3	66.4	62.5	82.25	79.99
Low 1941	49.2	56.8	54.3	63.09	76.85

Company Reports

Building Products

An all-time high was reached in the volume of business handled by Building Products Ltd. in 1940, according to W. R. McNeil, president. Building activity in 1940 was the highest in 10 years, although residential building remained about the same as in 1939. Construction under the Commonwealth Air Training Plan and expansion of industrial plants for war purposes reached a high level. Domestic business was again aided by the Home Improvement Plan and the National Housing Act.

Earnings per share fell from $1.01 in 1939 to 86 cents in 1940, owing largely to the increase in taxation which absorbed an amount equal to 91 cents per share of stock outstanding in 1940, compared with 21 cents in 1939.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Oper. profit	1,020,215	731,136
Add: Invest. interest	19,725	21,645
Invest. profit	9,375	2,739
Total earnings	1,049,315	755,520
Less: Depreciation	99,359	66,003
Contingent res.	......	6,102
Directors' fees	3,360	3,280
Legal fees	1,383	1,298
Exec. remuneration	91,370	91,210
Income taxes	440,000	100,030
Net profit	413,843	487,597
Less: Dividends	386,707	386,707
Surplus for year	27,136	100,890
Add: Prev. surplus	1,024,848	923,958
Less: Prior gr. taxes	18,905	......
Surplus forward	1,033,079	1,024,848
Earned per Share	$0.86	$1.01
Paid	0.80	0.80
Shares o/s., n.p.v.	483,384	483,384

Working Capital

	1940 $	1939 $
Current assets	2,528,390	2,245,952
Current liabilities	740,269	290,764
Working capital	1,788,121	1,955,188

Twin City R. Transit

Annual statement of the Twin City Rapid Transit Co., Minneapolis, shows a decline of approximately $31,000 in operating revenues. Heavy snowstorms in Nov. and Dec., 1940, prevented the decline from reaching larger proportions, as the company was able to clear its lines of snow before automobile traffic was resumed.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Inc. from transport	8,368,887	8,381,508
Add: Other oper. inc.	35,932	54,638
Operating revenue	8,404,819	8,436,146
Less: Oper. exps.:		
Way & structure	1,018,153	971,929
Equipment	753,040	759,370
Power	721,989	708,703
Cond. transport	2,474,573	2,468,086
Traffic	31,268	34,572
General & misc.	626,932	667,887
Trans. for invest.	12,825	16,385
Motor bus exp.	912,575	836,439
Oper. taxes	854,190	893,586
Total oper. exps. & taxes	7,379,895	7,324,187
Net earn. from oper.	1,024,924	1,111,959
Add: Other inc., secs. & accts.	11,709	13,652
Misc. income	1,805	1,633
Total net earnings	1,038,438	1,127,244
Less: Road rents	202	194
Property loss	1,260	142
Funded debt int.	849,728	898,200
Amort. debt disct.	59,242	62,746
Misc. debits	16,423	16,410
Net prof., surp. for yr.	111,583	149,552
Add: Prev. surplus	3,456,230	3,011,044
Prof. on bds. reacq.	306,315	359,198
Prof. on secs.	......	1,434
Misc. adjust.	3,517	22,135
Less: Inc. tax not assignable to operations	27,381	41,563
Unamort. disc. & exp. on bds. reacquired	39,108	45,591
Invest. wr. off	54,400	......
Loss re aband. prop.	115,981	......
Surplus forward	3,640,775	3,456,230
Times Cons. Bond Int. Earned	1.33	1.28
Earnings per Share:		
Pref.: Earned	$3.72	$4.99
Paid	nil	nil
Com.: Earned	d0.31	d0.27
None paid.		

Working Capital

	$	$
Current assets	2,667,137	2,639,132
Current liabilities	977,714	1,036,817
Working capital	1,689,423	1,602,315

Chartered Trust

An increase of over $800,000 was shown in the estates and trusts under the management of the Chartered Trust & Executor Co., at the end of 1940 as compared with the preceding year. Operating earnings fell some $20,000 in the year, causing a drop in per share earnings from $7.80 in 1939 to $5.44 in 1940. Despite lower earnings, taxes in 1940 were approximately $7,750 higher at $27,276.

Earnings Record

Year	Paid-up Capital & Reserves $	Net Profit* $	Div. Rate $	Rate* Earned per Sh. $
1936	1,100,000	82,079	4	8.21
1937	1,100,000	56,273	4	5.63
1938	1,100,000	80,021	5	8.00
1939	1,100,000	78,039	5	7.80
1940	1,100,000	54,424	4	5.44

*After taxes, depreciation, and, prior to 1938, amounts written off goodwill of business taken over by Montreal branch. Staff pension fund payments of $12,368 in 1940; $12,774 in 1939 and $8,602 in 1938, deducted.

Creditors' Position
As at Dec. 31

	1940 $	1939 $
Guar. trust funds	719,469	670,756
Deposits	3,355,057	3,257,426
	4,074,526	3,928,182
Secured by:		
Liquid assets	3,516,363	3,225,437
Mortgages & int.	558,163	702,745
Other net assets*	1,326,964	1,312,485
	5,401,490	5,240,667
Estates, etc.	20,241,836	19,431,803

*Capital account, liquid and other assets, less current liabilities, advance payments, etc.

Page-Hersey Tubes

Page-Hersey Tubes, Ltd., reports net profits for 1940 equivalent to $5.41 a share compared with $6.46 a share for 1939. Dividends paid last

Montreal Power Output Sets Record

From Our Own Correspondent

MONTREAL.—Electricity production of Montreal Light, Heat & Power Cons. during January rose to an all-time record level, totalling 131.7 million kw.h., exclusive of secondary and export power sales. This represents an increase of 11.2% over the first month of 1940, and a gain of no less than 27% over the prewar month of January, 1939.

The company's gas production, which last year showed a slight upper trend, was about the same in January as the year before. A total of 418.8 million cu. ft., compared with 420.6 million cu. ft., a decline of 0.44%.

Morris Wilson and Alfred Paradis have been elected new directors of the company, succeeding J. E. Aldred and the late Hon. J. M. Wilson,

year totalled $5 a share against $4.50.

Balance sheet reflects the higher rate of activity prevailing last year. Receivables and inventories are well above previous levels. Tax provision is more than doubled and depreciation allowance has been raised about $150,000, accounting for the lower net.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Operating profit*	1,958,383	1,632,506
Less: Depreciation	472,414	323,853
Income & E. P. tax	625,397	283,122
Net oper. profit	860,572	1,025,531
Add: Securities inc.	81,479	100,984
Net profit	942,051	1,126,515
Less: Dividends	863,740	777,376
Surplus for year	78,311	349,139
Add: Previous surplus	1,494,356	1,145,217
Less: Prior year tax	12,133	......
Surplus forward	1,560,534	1,494,356
*After deducting:		
Directors' fees	6,299	5,900
Exec. sals., legal fees	76,485	50,784
Earned per Share	$5.41	$6.46
Paid	5.00	4.50
Shares o/s., n.p.v.	174,076	174,276

Working Capital

	$	$
Current assets	8,102,678	8,223,870
Current liabilities	1,466,190	1,768,738
Working capital	6,636,488	6,455,132

Balance Sheet Changes

	$	$
Cash	922,378	1,367,433
Receivables, less res.	1,445,428	1,156,101
Investments*	2,389,465	2,749,031
*Market value	2,559,892	2,902,731
Inventory	3,313,412	2,909,330
Foreign exch. commit.	......	867,500

Trusts & Guarantee

First annual report of the Trusts & Guarantee Co. since the reorganization of the company's capital structure, the statement for 1940 shows a gain in net profits of approximately $3,000 over 1939. Largely as a result of the reorganization which took place in Sept., 1940, total assets shown on the balance sheet are $52.9 millions against $55.8 millions at the end of 1939. Decreases occurred in guaranteed obligations of the company, but these amounted only to about $213,000. A decline of approximately $1.4 million took place in the value of trust and agency business under the company's administration, mainly due to a decrease in agency busines.

Earnings Record

Year	Paid-up Capital & Reserves $	Net Profit $	Div. Rate %	†Rate Earned per Sh. %
1936	2,548,287	67,124	2	2.63
1937	2,548,287	78,856	2	3.09
1938	2,548,287	78,278	2	3.11
1939	2,548,287	78,242	2	3.07
1940	*1,267,500	81,499	‡2	6.43

†Based on paid-in capital at year end.
*Giving effect to reduction in capital on one new for two old shares basis. Dividends on new stock being paid at rate of 4% in 1941.
‡Paid on old stock.

Creditors' Position
As at Dec. 31

	1940 $	1939 $
Trust funds	6,462,081	6,603,737
Deposits	2,938,954	3,010,741
	9,401,035	9,614,478
Secured by:		
Liquid assets	2,883,506	2,771,873
Mortgages & int.	6,517,529	6,598,820
Real estate for sale†	......	243,785
Other net assets*	1,536,764	2,786,843
	10,937,799	12,401,321
Estates, etc.	41,862,789	43,275,768

†Real estate in guaranteed trust account only.
*Liquid and other capital account assets, less current liabilities.

Fanny Farmer

Sales of Fanny Farmer Candy Shops Inc. reached a new high for the company in the year ended Dec. 31, 1940. After allowing for depreciation of $200,490 against $181,958, and a $150,000 increase in federal and state taxes, net profits per share rose to $2.68 from $2.56 the year before. The increase in sales in 1940 amounted to over $984,000.

During the year, 32 stores were added to the company's facilities, raising the total to 290 units. In 1939 the company added 20 units.

The policy of purchasing the company's shares and having them registered in the company's name was continued during 1940.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Total sales	8,481,545	7,497,482
Less: Cost goods sold	3,937,962	3,462,438
Shop expenses	3,009,728	2,696,037
Admin. expenses	255,918	221,960
Oper. profit	1,277,937	1,117,047
Add: Misc. income	51,301	49,108
Discount & exch.	31,744	28,331
Less: Tax reserve	384,000	234,000
Net profit	976,982	960,486
Less: Dividends	645,277	660,028
Surplus for year	331,705	300,458
Add: Prev. surplus	1,439,900	1,356,533
Less: Com. shs. purch.	227,763	217,091
Surplus forward	1,543,842	1,439,900
Earnings per Share:		
Com.: Earned	$2.68	$2.56
Paid	1.75	1.75
Shares O/s.	365,051⅓	374,861⅓

Working Capital

	1940 $	1939 $
Current assets	1,694,890	1,696,786
Current liabilities	453,767	300,729
Working capital	1,241,123	1,396,057

Canadian Bronze

A moderate decline in consolidated gross income of Canadian Bronze Co. for 1940 was reflected in net profit. Earnings available on the common stock totalled $1.88 a share, as against $2.87 in 1939.

Depreciation and other expenses remain much the same, but taxes increased from $70,000 to $120,000. As a result it was necessary for the company to draw upon earned surplus to the extent of $9,724 to cover the dividend on the common stock. The year before there was a surplus after dividends of $69,608.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Gross income	378,308	403,113
Less: Depreciation	29,860	29,860
Taxes	120,000	70,000
Legal fees	792	805
Directors' fees	5,823	1,777
Exec. salaries	34,056	33,263
Net profit	187,776	267,408
Less: Pfd. divds.	37,500	37,500
Com. divds.	160,000	160,000
Surplus	*9,724	69,608
Add: Prev. surplus	535,968	466,060
Less: Add. taxes	3,000	......
Surplus forward	523,244	535,968

*Deficit.

Working Capital

	1940 $	1939 $
Current assets	997,677	1,029,195
Current liabilities	310,493	311,904
Working capital	687,184	717,291

Stedman Bros.

Annual report of Stedman Bros., Ltd., for 1940 shows a gain of about $100,000 in net operating profits more than offset by heavier taxes and a special inventory reserve of $43,955. The result is that net profit for last year is equivalent to $2.85 a share on the common against $3.60 a share in 1939.

The directors have declared a bonus of 60 cents a share on its common, bringing total payments for 1940 on this stock to $1.20 a share.

S. W. Stedman, president, draws attention to the fact that higher taxes absorbed more than the company was able to achieve in higher operating profits. He concludes that "the present trend would seem to suggest that sooner or later it will tend to the curtailment of dividends." He states that results for the current year to date have been satisfactory but points out that there is some doubt as to how far embargoes against imports will go and to what extent domestic facilities can meet demands.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Net oper. profit*	587,388	482,595
Less: Depreciation	38,768	37,970
Income taxes	230,000	103,000
Inventory reserve	43,955	......
Net profit	274,665	341,625
Less: Pref. divds.	18,000	18,000
Common divids.	108,000	90,000
Surplus for year	148,665	233,625
Add: Prev. surplus	959,058	741,488
Deprec. adjust.	15,895	......
Inc. tax adjust.	11,948	966
Less: Loss on bonds	187	......
Life insur. (net)	3,347	3,347
Real estate reserve	28,510	13,674
Earned surplus fwd.	1,103,522	959,058
*After deducting:		
Salaries, fees, etc.	41,290	39,453
Directors' fees	300	300
Earned per Share:		
Preferred	$45.78	$56.94
Paid	6.00	6.00
Common	2.85	3.60
Paid	1.20	1.00
Shares O/s.:		
Preferred, $50 par	6,000	6,000
Common, n.p.v.	90,000	90,000

Working Capital

	$	$
Current assets	1,344,404	1,198,831
Current liabilities	112,835	70,922
Working capital	1,231,569	1,127,909

Bell Telephone

With operating revenues reaching the record peak of $45.7 millions, and with taxes showing an increase of nearly $2.4 millions, or 75% over the previous year, The Bell Telephone Co. of Canada was able to report for 1940 a net profit of just under $6.7 millions, or $8.20 a share on the capital stock. This contrasts with a net profit of $6.5 millions in 1939, or $8.05 a share.

Gross revenue from all sources was up 7.8% over 1939. Long distance revenue of $11.4 millions gained 17.4%. A feature of the income account, of course, was the increase in taxes, which amounted to $5,465,000, an increase of $2,352,000 over the previous year. In addition taxes covered by various governments totalling $1,033,000 were collected directly from telephone users. Thus, total taxes paid by and through the company amounted to $6,498,000 for 1940.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Oper. revenues	45,774,752	42,670,866
Less: Expenses‡	13,124,628	12,643,605
Maintenance	9,328,328	8,567,207
Depreciation	7,897,443	7,735,068
Income taxes	3,483,000	1,168,200
Other taxes	1,962,000	1,971,300
Net oper. income	9,979,353	10,621,486
Other income	608,779	327,088
Total income	10,588,132	10,948,574
Less: Fixed charges	3,897,590	4,438,126
Net income	6,690,542	6,509,448
Less: Dividends	6,524,680	6,440,338
Surplus for year	165,862	69,110
‡Includes:		
Exec. salaries	138,416	133,630
Legal fees	31,556	29,340
Directors' fees	25,300	26,700
Earned per share	$8.20	$8.05

Working Capital

	1940 $	1939 $
Current assets	10,197,970	23,312,456
Current liabilities*	9,267,167	22,168,400
Working capital	930,803	1,144,056

*Includes taxes, etc., not due at end of year but applicable to 1940 earnings.

Balance Sheet Changes

	1940 $	1939 $
Capital stock	82,114,900	80,879,600
Long term debt	75,433,053	71,376,936
Plant & equip.	185,527,833	180,911,721
Cash	839,919	343,948
Temp. investments	622,074	140,620

Provincial Transport

Provincial Transport Co. consolidated financial statement for 1940 shows a substantial increase in operating revenue, but due to higher taxes, net profits were somewhat lower than in 1939. Total operating revenue of $2,059,110 compared with $1,614,971 in the previous year. Net profits of $140,322 were equal to 56 cents a share, as against $155,533, or 62 cents a share in 1939.

In his report to the shareholders, W. S. Hart, president, stated that during the past year the company purchased and put into operation five coaches for urban service and 12 coaches for interurban service; and 15 coaches were ordered for delivery in the early part of 1941.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Passenger revenue	2,022,360	1,578,039
Other oper. revenue	36,750	36,932
Total oper. revenue	2,059,110	1,614,971
Less: Oper. expenses	1,167,995	922,078
Gen. expenses	96,534	93,327
Oper. taxes	255,600	208,316
Depreciation	260,822	203,285
Net oper. profit	278,158	187,964
Add: Other income	6,735	10,093
Net revenue	284,893	198,057
Less: Interest	8,571	9,523
Fed. & prov. inc. tax	67,000	33,000
Excess profits tax	69,000	nil
Net profits	140,322	155,533
Less: Dividends	100,000	89,800
Surplus for year	40,322	65,733
Add: Prev. surplus	*406,717	346,853
Surplus forward	447,039	412,586

*Reduced from surplus of $412,586 as shown at Dec. 31, 1939, by $5,869, due to amount of income tax paid for 1939 being $38,869 as compared with amount of $33,000 provided in profit and loss statement.

Earned per share	$0.56	$0.62
Paid	0.40	0.40

Working Capital

	1940 $	1939 $
Current assets	591,445	348,786
Current liabilities	333,049	188,915
Working capital	258,396	159,871

Albany River Changes Development Plans

Development work will be suspended at the east end of the property of Albany River Gold Mines, it has been decided. The management considers it better policy to carry out further work from the Pickle Crow north workings which are only 300 ft. from the Albany River property at the 750-ft. level.

Drifting at the first level of the Albany River shaft, prior to the decision to close down, disclosed 193 ft. of ore averaging $8.40 ($9.10 uncut) across 24 inches from face samples, with ore continuing to the east.

Market Opinions

Financial World, N.Y.—Recent developments provide no basis for change in investment policy.

Until a bottom has been made, there will be little incentive to add speculative issues to one's portfolio.

* * *

Barron's, N.Y. (The Trader) — Granting the possibility of a metamorphosis of sentiment, the effect upon a thin market could conceivably be abrupt. By any investment rules, stocks are in an appealing buying area and are, therefore, increasingly fortified against speculative liquidation. Since a thin market can work both ways, buyers might find in the event of a change of sentiment a stock market as disadvantageous as do present-day sellers.

* * *

Brookmire Counselor (New York) —An important point to bear in mind now is that, if the near-by future should bring ominous news from the war front, the stock market will probably be found to have largely discounted it already.

* * *

Barron's (Dow Theorist) — Significant of the current move under the Dow theory was merely that the downtrend of secondary proportion was being extended. No new indication of primary importance was given. However, as to the primary trend, the bear market lows made last May and June (22.14 in the rails and 111.84 in industrials) are apparently about to undergo a test. If they are broken, the bear market trend will be reaffirmed. But if they hold in one or both averages and such action if followed by new highs since June in both averages, a strong bull indication will have been given.

Provincial Transport Company

(including wholly-owned subsidiaries)

TWELFTH ANNUAL REPORT
for the year ended December 31st, 1940

Officers and Directors

W. S. Hart, *President and Managing Director*
J. E. Savard, *Vice-President*
H. R. Mallison, *Vice-President and General Manager*
H. J. Curtis, *Treasurer* Roch Tremblay, LL.L., *Secretary*
F. T. Collins, K.C., Beaudry Leman, S. Godin, Jr., H. R. Mallison,
P. S. Gregory, Geo. H. Montgomery, K.C., W. S. Hart, J. E. Savard, R. N. Watt
J. R. Collins, *Assistant General Manager*
R. G. Perry, *Passenger Traffic Manager*

To the Shareholders:

Your Directors submit their report of the operations of the Company for the year 1940, together with the Balance Sheet, Profit and Loss and Surplus Accounts.

In the course of the past year, the Company changed the classification of its accounts to conform with the practice adopted by other companies engaged in similar activities in Canada and the United States. In submitting this year's Profit and Loss Account, the relative figures for 1939 are shown.

The salient features of the financial statements are the following: Total operating revenue amounted to $2,059,110, an increase of $444,139 over the figures for 1939; total operating expenses amounted to $1,520,129, an increase of $296,408; after deducting the amount set aside as a reserve for depreciation, the net income from operations amounted to $278,158, an increase of $90,194 over the previous year; the net income before provision for income and excess profits taxes was $276,322, an increase of $87,789. Provision has been made to the extent of $136,000 for income and excess profits taxes, whereas $38,869 were paid in income taxes for the year 1939, and net profit transferred to surplus was $140,322, a decrease of $15,211.

The restrictions imposed on Canadian tourists wishing to travel to the United States seriously curtailed the revenue of the companies with which this Company is associated, and no income was derived from these investments.

During the year 6,903,274 miles were operated, an increase of 976,183 miles as compared with 1939. 6,184,885 passengers were carried, an increase of 1,424,555.

No important extension to the Company's routes was made during the past year, but additional facilities were provided to meet the demand. The Company was called upon to afford transportation connected with the country's war-time activities and this both for military and industrial purposes. Members of His Majesty's Military Forces were granted special rates.

The urban services which your Company provides in the cities of Kingston, Ont., and Sherbrooke, Que., were on a larger scale inasmuch as the industrial activity in both these centres was considerably larger.

During the past year, the Company purchased and put into operation five coaches for urban service and twelve coaches for interurban service, whilst fifteen interurban coaches were ordered for delivery in the early part of 1941.

Your Directors decided to purchase the land which the Company occupied, under lease, since 1930, in the city of Kingston.

Your Directors have decided that the Company should carry a part of its public liability insurance and a reserve has been set aside to provide for such claims. The risks not covered by the Company's own reserve are placed with an insurance company.

Although passenger traffic between Canada and the United States has been restricted through war conditions, both your Company and the American operators have used their best endeavours to encourage tourist traffic from the United States to Canada.

Your Directors regretfully record the loss suffered by the Company through the death of Senator J. M. Wilson, who rendered valuable services to the Company during his years of office.

Mr. George H. Montgomery, K.C., was appointed to replace the late Senator on the Board.

During the year, Colonel A. A. Magee, K.C., retired from the Board owing to military duties.

Mr. F. T. Collins, K.C., was appointed to replace Colonel Magee.

Your Directors desire to acknowledge the continuance of loyal and efficient cooperation by all members of the staff.

Submitted on behalf of the Board.

W. S. HART, President.

COMPARATIVE CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year Ended December 31st, 1940, Compared with 1939

	1940	1939
Passenger Revenue	$2,022,360.49	$1,578,038.85
Other Operating Revenue	36,749.96	36,932.22
Total Operating Revenue	2,059,110.45	1,614,971.07
Deduct:		
Operating Expenses	1,167,995.46	922,078.14
Administration and General Expenses	96,533.93	93,327.75
Operating Taxes and Licenses	255,600.50	208,315.84
Total Operating Expenses	1,520,129.89	1,223,721.73
Operating Income	538,980.56	391,249.34
Less: Reserved for Depreciation	260,822.32	203,284.92
Net Operating Profit	278,158.24	187,964.42
Other Income:		
Income from Associated Companies	....	7,000.00
Income from Temporary Investments	6,735.28	3,093.00
Gross Profit	284,893.52	198,057.42
Less: Interest	8,571.25	9,523.64
Net Profit (before Income and Excess Profits Taxes)	276,322.27	188,533.78
Deduct:		
Provision for Federal & Provincial Income Taxes	67,000.00	33,000.00
Provision for Excess Profits Taxes	69,000.00	....
	136,000.00	33,000.00
Net Profit transferred to Surplus Account	$ 140,322.27	$ 155,533.78

SURPLUS ACCOUNT

Balance brought forward from previous year		$ 412,585.90
Deduct:		
Income Taxes paid for 1939	$ 38,869.00	
Less: Amount provided for 1939 Income Taxes	33,000.00	5,869.00
		406,716.90
Add:		
Net Profit for year 1940 (transferred from Profit and Loss Account)		140,322.27
		547,039.17
Deduct:		
Dividend paid February 15th, 1940 250,000 shares at 20c per share	50,000.00	
Dividend paid August 15th, 1940 250,000 shares at 20c per share	50,000.00	100,000.00
Surplus Carried to Balance Sheet		$ 447,039.17

CONSOLIDATED BALANCE SHEET
As at December 31st, 1940

ASSETS

Current:—		
Cash in Bank and On Hand	$ 88,592.16	
Call Loans	155,000.00	
Temporary Investments	214,241.26	
Accounts and Bills Receivable (less Reserve)	36,275.08	
Materials and Supplies	97,336.86	
		$ 591,445.36
Fixed:—		
Motor Coaches and Equipment	1,583,843.12	
Less: Depreciation	798,240.47	
	785,602.65	
Land	228,719.63	
Buildings (less Depreciation)	163,066.71	
		1,177,388.99
Investments in and Advances to Associated Companies		96,732.19
Franchises and Goodwill		491,448.42
Deferred Charges to Operation		28,010.57
		$2,385,025.53

LIABILITIES

Current:—		
Accounts and Wages Payable (including provision for Income and Excess Profits Taxes)	$ 233,987.48	
Accrued Charges	23,494.41	
Unredeemed Tickets	75,567.72	
		$ 333,049.61
Operating and Insurance Reserves		119,454.50
Mortgage on Montreal Terminal		160,000.00
Capital Stock:—		
Authorized and Issued:— 250,000 Shares of No Par Value		1,325,482.25
Surplus		447,039.17
		$2,385,025.53

Approved on behalf of the Directors:
W. S. HART
R. N. WATT
Directors.

AUDITORS' REPORT

We have made an examination of the Consolidated Balance Sheet of Provincial Transport Company and its wholly-owned subsidiary companies, Colonial Coach Lines Limited, Kingston City Coach Company Limited, and Sherbrooke City Transit Company Limited, as at 31st December, 1940, and have received all the information and explanations we have required.

In connection therewith we examined or tested the books and accounting records of the Companies and other supporting evidence, but we did not make a detailed audit of all the transactions.

Materials and Supplies have been certified as to quantities and values by responsible officials.

Ticket Sales and Cash Funds have been checked periodically by the Companies' Internal Auditor, from whom we have received certificates to that effect.

An amount of $50,105.41 is reserved for the proportion of Unsettled Injuries and Damage Claims, payable by the Companies. The officials estimate this sum to be sufficient for the purpose.

Subject to the above, in our opinion, the foregoing Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of the aforementioned Companies, according to the best of our information, the explanations given to us and as shown by the books.

SHARP, MILNE & CO., Chartered Accountants.

Montreal, February 11th, 1941.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

FOR SALE

ALEXANDER Hamilton Institute business course for sale. Fully up to date. Cost $225.00. What offers? This course used by many corporations for training executives. Box 29, The Financial Post, Toronto, Ont.

Envelopes

for every purpose

Barber-Ellis of Canada, Limited

TORONTO - BRANTFORD

BRANCHES FROM COAST TO COAST

Foreign Exchange

During the week Feb. 11 to Feb. 17 there was no change in the quotation to the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Feb. 17

Australia	3.58	N. Zealand	3.61
India	.3369	S. Africa	4.47
Japan	.2608	Hong Kong	.2728

It's in the BAG!

"In the bag" is a modern way of saying the situation is well in hand . . . and it certainly applies when you entrust your finishing problems to Thorp-Hambrock, who specialize in industrial finishes.

Over a period of years, Thorp-Hambrock have developed countless paint, varnish, lacquer and enamel finishes to meet the varying conditions found in Canada's industrial plants.

Follow the example of Canada's leading manufacturers—turn your finishing problems over to Thorp-Hambrock and benefit by the experience of a company of specialists.

Call in the THORP-HAMBROCK MAN . . . He's a Specialist!

THORP-HAMBROCK CO. LIMITED MONTREAL TORONTO

THORP-HAMBROCK

Industrial LACQUERS • VARNISHES ENAMELS • PAINTS and "CELLON" Aeroplane Protective Finishes

Bond Markets

Central Bank Adds Long-term Bonds

Open Market Operations Minor Factor in Raising Total — Public Buying on Balance Since October

Long-term security holdings of the Bank of Canada rose from $50.8 millions at the beginning of 1940 to $127.3 millions at the end of the year. Viewed by itself, this increase might appear somewhat ominous, implying the necessity of constantly increasing support for the Canadian high-grade bond market.

Actually, the greater part of the rise is understood to have taken place as a result of the Bank exchanging maturing issues for longer term obligations of the Dominion. Only about 20% of the rise is attributable to increased holdings of bonds of 10 years or longer term, indicating that high-grade bond prices did not require much support from the central bank.

The year-to-year figures also conceal the fact that the increase in long-term holdings reached a peak of $153.1 millions at Oct. 2, 1940, and have shown a more or less steady decline since that time.

* * *

Market Adjusts

Since October the Bank has on balance been able to dispose of the long-term holdings. This is interpreted by Bank officials as indicating that business and security markets are becoming better adjusted to the new conditions. Purchase of long-term securities by the public indicates that savings are catching up with the new capital requirements of wartime industry. It is not anticipated that the Bank's holdings of this class of security will return to 1939 levels while industrial activity is still expanding. But bank men view favorably the somewhat deflationary trend of recent long-term operations.

* * *

Popular Appointment

Appointment of G. W. Spinney, joint general manager of the Bank of Montreal, to head the organization for the Third War Loan, has met with an enthusiastic reception in bond circles. Mr. Spinney is recognized as one of the Dominion's leading authorities on bond questions, while his executive ability is attested by his successful career with the Bank of Montreal.

Mr. Spinney's talents will be employed to the full in his new position as chairman of the executive committee. The fact that a man of his calibre has been chosen to head the effort well in advance of the opening of the campaign is regarded as being both wise and necessary. The Third War Loan is expected to call for up to $1 billion from Canadians. The realization of anything like this amount will call for a more organized effort than was required in either of the two earlier loans and it is essential that this organization be completed before the loan is offered to the public this summer.

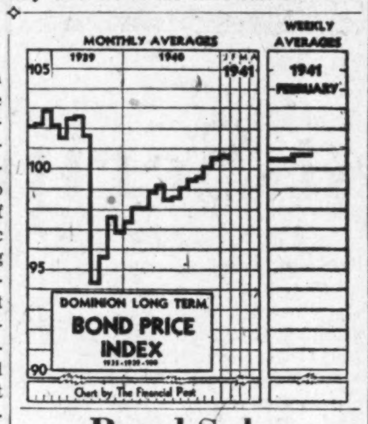
* * *

Bond Index

The D. B. S. index of long-term bond prices, based on the years 1935 to 1939, advanced last week to 100.9 from 100.8 the week before. Average for the week ended Feb. 13, 1941, was 3 points above the level of a year earlier when the index stood at 97.9.

DOMINION OF CANADA
Long-term Bond Index

	Weekly average Feb. 7-13	Preceding week Jan. 31-Feb. 6	Weekly average year ago
Price	100.9	100.8	97.9
Yield	95.9	96.2	102.2



Bond Sales

Treasury Bills

Latest offering of Dominion of Canada Treasury Bills has been purchased at a price of 99.84467, a cost basis of 0.624%. The issue is for $40 millions, falling due May 16, 1941. Sale price is an advance over the preceding sale, which was effected at 99.84411, or a cost basis of 0.626%.

* * *

Coaticook, Que.

Sale of $65,000 in installment debentures at par is announced by the Town of Coaticook, Que. Rates and dates of the respective sections of the issue are as follows:

$14,700	3%	Feb. 1, 1942-47
$18,400	3½%	Feb. 1, 1948-53
$31,900	4%	Feb. 1, 1954-61

* * *

Rockcliffe Park, Ont.

Village of Rockcliffe Park reports the sale of $16,200 in 15-year 3½% installment debentures dated Feb. 1, 1941, maturing annually 1942-1956, to the Ottawa firm of John Graham & Co. at a price of 102.44 plus accrued interest. The issue, sold on a cost basis of approximately 3⅛%, is to provide for sewer, water main, and storm drain construction. List of tenders received follows:

John Graham & Co.	102.44
J. L. Graham & Co.	101.41
C. H. Burgess & Co.	101.41
Harrison & Co.	101.32
Burns Bros. & Denton	101.07
Fairclough & Co.	101.06
Dyment, Anderson & Co.	100.90
Wood, Gundy & Co.	100.58

T. C. A. Gets Delivery Balance of Lodestars

From Our Own Correspondent

MONTREAL.—Officials of Trans-Canada Air Lines announced completion of an order for six Lockheed Lodestar passenger planes with delivery of the last three of the planes in Vancouver from the Lockheed Aircraft plant at Burbank. The first three were delivered last month.

Plan Expansion Gas Pipe Lines

Canadian Western and Northwestern Utilities Prepare to Extend Facilities

Plans are apparently under way for a major expansion of natural gas distribution facilities in Alberta.

Canadian Western Natural Gas, Light, Heat & Power Co. plans construction of slightly more than 100 miles of pipe line from the Kinsella gas field to Red Deer. This line would serve Camrose, Wetaskiwin, Ponoka, Lacombe and other municipalities along the route.

E. W. Bowness, vice-president and managing director, informs The Financial Post that before the construction referred to can be undertaken, the company must get permission from the Securities and Exchange Commission at Washington regarding the American financing, then permission from Ottawa to go ahead with the project.

Northwestern Utilities

Northwestern Utilities, controlled by Dominion Gas & Electric Co., which also controls Canadian Western, is planning to complete duplication of its transmission line from the Kinsella-Viking field to Edmonton. Part of this line has already been duplicated and has already been extended from the Viking field to Kinsella.

It is understood that financing proposed involves sale of $500,000 of Northwestern Utilities preferred to International Utilities and of $1.5 million of Northwestern Utilities bonds in Canada. Before this can be completed, permission of the Securities and Exchange Commission will have to be obtained for International Utilities to make the additional investment. The Foreign Exchange Control Board will also have to permit import of the pipe required into Canada.

Connors Bros'. Outlook For 1941 Favorable

From Our Own Correspondent

SAINT JOHN, N.B.—Despite difficulties in shipping and changes in markets, Connors Bros. Ltd. of Black's Harbor, N.B., expects to sell the entire 1941 pack. All of last year's pack has been sold.

This was disclosed at shareholders' annual meeting, held here. A. M. A. McLean, treasurer and managing director, presented a favorable report on the business of the firm and reviewed the progress of the community of Black's Harbor. Board of directors was re-elected.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Silverwood, A	5%	1942-51	Mar. 25	103
Do., B	5%	1952	Mar. 25	101
Randolph Hotel	6½%	1947	May 1	105
South. Kraft	†4½%	1946	Mar. 4	par

†Drawn by lot $705,000.

Simpsons Ltd. Bonds Sold

Additional Block to Finance Building and Buy Preferred Stock

An additional $1.3 million of series A 4¼% bonds of Simpsons Ltd. has been sold by Wood, Gundy & Co. at 100 to yield 4¼%. The latest offering is part of the authorized $20 millions of this series, due 1951, and will bring outstanding amount to $14.1 millions.

C. L. Burton, president, in a letter incorporated in the prospectus, states that "during 1940, total value of sales in every branch of the business increased substantially over that in 1939."

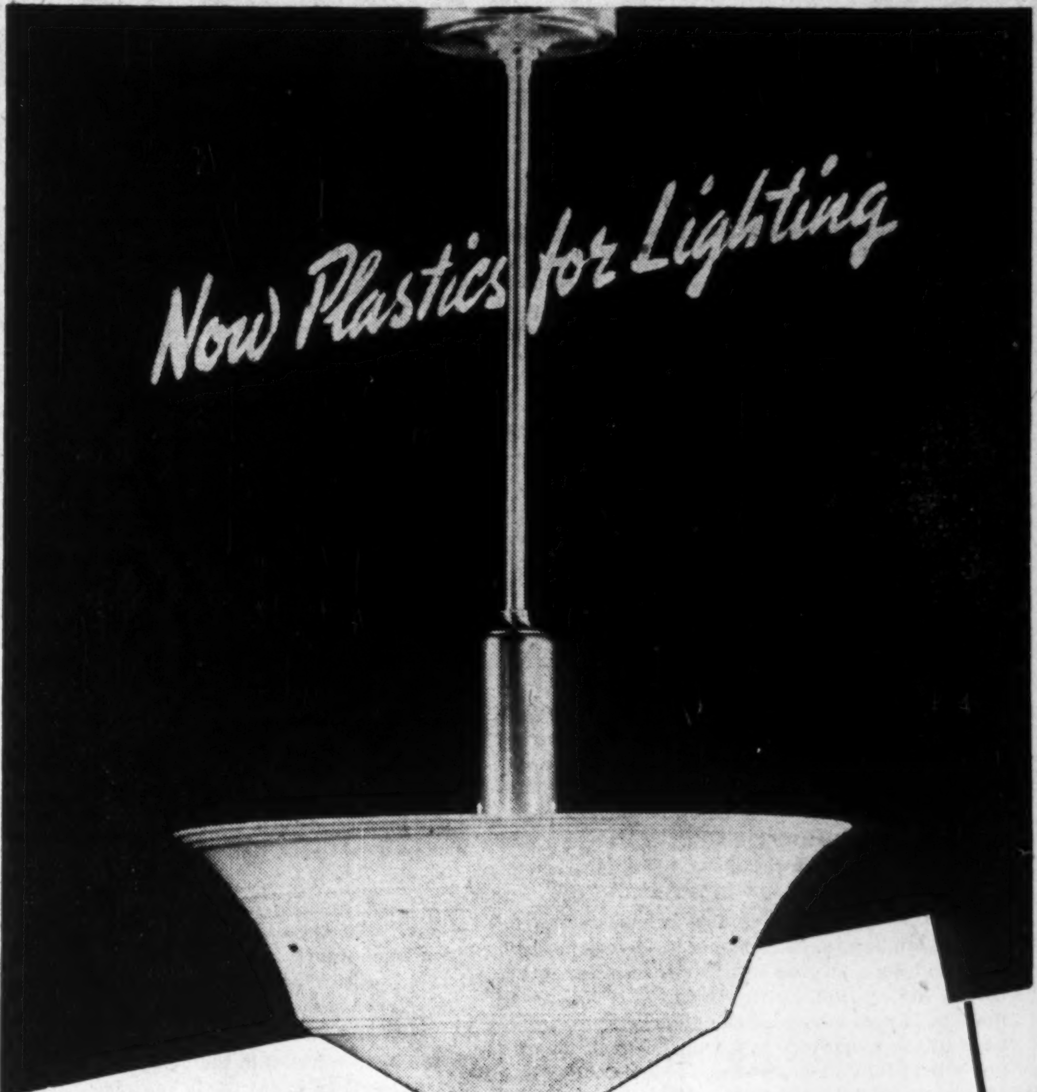
The new bonds are being used to provide funds for capital expenditures and to acquire additional 6% preference shares of Robert Simpson Co. at $135 a share from Wood, Gundy & Co. It is stated that 2,099 shares of this stock was still outstanding.

Of the proceeds of the issue, $764,000 goes to reimburse the company for a portion of $1.1 million capital expenditures already made. Another $266,000 goes to pay for a portion of proposed capital expenditures to cost about $400,000 in all.

These proposed expenditures are to consist of an extension to the mail order building at Regina at a cost of about $200,000, new buildings in Toronto to cost $76,500 and elevators and improvements in the company's mail order building in Toronto at a cost of $123,500.

C. V. EARL WINS STANTON CUP

C. V. Earl, Manager, Toronto Victoria Branch, has won for the second successive time the Stanton Cup, awarded annually to the Canadian Manager of the Sun Life of Canada whose Branch makes the best showing during the year. This trophy, presented by the late J. C. Stanton, of Montreal, for annual competition in Canada under searching rules of general efficiency, is a much-coveted distinction in which Mr. Earl and his organization can take great pride.



★ They're lighter in weight! Midas Plastic Units weigh only *one-sixth* to *one-fourth* as much as conventional commercial units. This "featherweight" feature makes handling so much easier; makes these modern units ideal for overhead lighting.

They give more light! These handsome plastic units have a very low surface brightness with an extremely high degree of lighting efficiency. The soft white bowl and satin-tone hanger are designed to harmonize unobtrusively with modern interiors. Midas Plastic Units provide plenty of *soft, sunny, glare-free illumination* for offices, stores, commercial and public buildings.

They're easier to clean! Maintenance is exceptionally low with these new plastic units. They may be *cleaned with a damp cloth, or washed in hot or cold water* and *are guaranteed against warping, discolouration and absorption of moisture.* Write any Amalgamated branch for complete information on these handsome, durable lighting units.

MIDAS PLASTIC UNITS

Made in Canada by:
Amalgamated Electric Corporation Limited
Toronto and Montreal

Western Divisions:
Langley Electric Manufacturing Co. Ltd., Winnipeg
Langley Electrical Manufacturing Co., Ltd., Calgary
Langley Manufacturing Co. Ltd., Vancouver.

A.E. CORP'N LTD.

AMALGAMATED ELECTRIC CORPORATION LIMITED

Your Income Tax . . . .

From now until April 30, deadline for filing personal income tax returns, The Financial Post will answer questions from subscribers about their income and national defense taxes, as to exemptions to which they may be entitled, methods of payment, etc. Enquiries are invited.

Executor's Fees

A relative of mine appointed me executor of his will and left me $100 as compensation. The settlement of the estate necessitated travelling expense of $100 which was reimbursed by the heirs. In another relative's will of which I was executor, nothing was provided for my trouble. The heirs insisted I accept $50 for my services. I did not mention these sums in my income tax return. Should I have done so?

According to the income tax regulations executor's fees are considered income and as such are subject to income tax. They are considered payment for services rendered and as such differ from regular bequests. Straight bequests, as you no doubt know, are not subject to income tax. If reporting the amounts received in these two cases, however, you would appear to be justified in deducting all out of pocket expenses.

Cancelled Interest

In order to collect the principal of a loan of $500 for which a note was given 12 years ago, I was forced to cancel all interest and accept $305. Can I claim exemption for this amount or part of it on my income tax return? Where principal has been reduced and all back interest cancelled by the Debt Adjustment Board on a land contract I hold, can the cancelled interest be claimed against my income tax?

In neither case are you allowed to make any deduction. The Income Tax authorities are interested only in the income you received, not on the income you did not receive. The loss on capital is not taken into consideration, any more than the loss a person might take when selling a house or a farm below cost.

Interest on Securities

I have $5,000 cash which I use to buy $10,000 worth of securities. Instead of letting the broker carry them for me, I use the securities as collateral for a loan of $5,000 at the bank which I pay over to the broker. This leaves me as owner of the $10,000 securities on which I owe the bank $5,000. Can I deduct from the dividends I receive from the securities, the interest I pay on the loan at the bank? Can I also deduct interest I pay on a mortgage on my house?

You will be allowed to deduct the interest on your bank loan from the dividends as you suggest. This interest is paid in connection with the income you get from the securities and hence is an allowable deduction. You will not be allowed, however, to deduct the interest you pay on the mortgage on your home. The money spent on your house and on interest on the mortgage is regarded as for domestic purposes and as such is not admitted as a deduction for income tax.

Revise Montreal's Income Tax Levy

Municipal Impost Would Run 3% to 14% of Dominion Figure

From Our Own Correspondent

MONTREAL.—Quebec Municipal Commission, which controls administration of the City of Montreal, has drafted a sliding scale of municipal income tax payment to place before Quebec Legislature. If the measure is passed rates will be graduated from 3% to 14% of income tax payable to the Dominion Government on 1940 income.

At present the municipality levies an income tax of 10%. 15% and 20% on net amount payable to the Dominion. If the amount payable is $200 or less the 10% rate is applicable; $400 or less, 15%, and over $400, 20%.

Payment Rates Graduated

Under the new plan, the municipality would follow the province, which formulated a graduated scale of rates that would spread the income burden equitably and not take advantage of the higher scale of Dominion payments.

Municipal estimates of revenue from personal income tax provide for approximately the same collections in 1941-42 as in the year ending April 30, $2.5 millions.

Under the proposed scale a taxpayer who pays the Dominion $260 in income tax would pay the city 3% of that amount. If the Dominion tax were above $40,000 the city levy would be 14% of the total.

McLaughlin-Buick "SPECIAL" Sedan

Get in and LET'S GO!

● When you lift the hood of this sprightly 1941 Buick, notice how *much* engine looms up under your gaze.

That long thrusting bonnet is *needed.*

It's brim-full of velvet-smooth, micropoise-balanced power plant.

And it houses, in the new FIREBALL Dynaflash engine, the sweetest and suddenest and most serviceable mobilization of horsepower you ever gave the gun!

Buick is a big car, yes — a longer, roomier, broader beauty than ever before — yet so nimble and nifty in action you'll think it has wings on its wheels.

It gets into stride with a rush like a going-away mallard, and poised on its level-flying BuiCoil Springing it eats miles on the open road with the appetite of a small boy for chocolate cake.

And remember that Buick is built and engineered for long life and lasting economy — important points in buying any car today. Buick is a sound investment — one that you will never regret.

So try out the "Best Buick Yet" — get in and get going. Your nearest Buick dealer is awaiting your nod.

BUICK FIREBALL DOES IT!

Modern gasolines have high octane ratings to permit higher compressions without "ping." Note how this piston, which can be used only in valve-in-head engines, rolls the fuel charge into the shape of a flattened ball that centers around the new, smaller, racing-car type spark plug. Fired at its very heart, this more highly compressed fuel lets go with such full-forced, "ping-free" wallop that any gasoline of 75 octane rating (now available at standard-fuel prices) may be used in the 115-hp. engine. Any fuel of 80 octane rating serves in the 125- and 165-hp. engines.

"Best Buick Yet"

A GENERAL MOTORS VALUE

BUY WAR SAVINGS CERTIFICATES

Work for Victory... Lend to Win!

M-641

The Editorial Page . .

Canada in Washington

The visit of Hon. C. D. Howe to Washington last week emphasizes the need and urgency for proper representation from Canada at Washington.

It is impossible for Mr. Howe to effectively represent Canada on the newly-formed Supply Council for North America. Adequate representation is a full-time job. If Mr. Howe were to do full justice to Canada's needs at Washington he would have time for nothing else. Whenever he leaves Ottawa for a conference at the American capital there must of necessity be delay and postponement in the war effort on the national front.

Canada has been proud to lend the services of her leading business executives for service in the United States of America. Rt. Hon. Arthur B. Purvis and Morris W. Wilson have both been called to positions of high responsibility by the British Government. Mr. Purvis is on duty almost 24 hours of the day either at New York or Washington. Mr. Wilson spends four days a week, mostly at Washington, as a direct representative of Lord Beaverbrook.

Although these men are both Canadians they do not represent Canada. For the duration of the war they are responsible only to the British Government for their actions.

There is no one at New York or Washington who can speak and act for Canada alongside men of the type of Mr. Purvis and Mr. Wilson.

Canada's expensive Legation on Massachusetts Avenue can be eliminated from consideration. Even if he had been in good health our minister to the United States, Hon. Loring C. Christie, was never the type of man who could handle business transactions of the magnitude and scope of those thrown up by the present war. Because of this and because of his continued illness, Mr. Christie cannot be counted on to be of any consequence in the present urgent situation. Nor is there anyone else at the Legation to take his place.

In the last war, Lloyd Harris, a Canadian business man of considerable ability and personal influence, headed a Canadian War Mission at Washington. He served in this capacity until sent to England at the head of a Canadian Trade Mission at the close of the war.

Within the past few weeks The Financial Post has talked to many men in high positions of wartime responsibility concerning this problem. They have expressed unanimous agreement that one of the gravest weaknesses in Canada's war effort is our failure to have proper representation at Washington; our failure to appoint someone who could not only handle important day-to-day decisions of policy and co-ordinate Canada-U. S.-U. K. relationship but also someone who could by his influence and prestige restore for this country the ground lost through our failure to be properly represented at the seat of U. S. government.

There are many outstanding Canadians of influence, ability and position who might be persuaded to accept a responsibility such as this for the duration of the war. Such an appointment must be made without delay. It must be an appointment in which every Canadian and indeed Americans themselves will take pride.

For More Tourist Dollars

The Financial Post believes that Canada's tourist business — a major export — should be placed under the direction of the Government department that is experienced in dealing with exports, the Department of Trade and Commerce.

At present the Canadian Travel Bureau is an orphan in the Department of Transport where engineers and technicians deal with matters like radio, aids to navigation, meteorology, canals, etc.

The Financial Post suggests, too, that Ottawa review the strict regulations of the Foreign Exchange Control Board which rigidly ban all pleasure travel in the United States. The regulations are designed to conserve precious U. S. dollars. But, on balance, are they saving or losing U. S. dollars?

The Financial Post's Platform For War

1. Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.

2. An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.

3. Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.

4. Pay-as-we-go policy to the very limit consistent with an all-out war effort.

5. Elimination of wasteful spending by public bodies or private individuals.

6. A national programme to deal with post-war employment and relief problems.

Winning the war has become the focus, for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree, this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice. In turn this will reduce the need for regimentation and compulsion.

Over a ten year period prior to the war there was more than $3 of United States travel money spent in Canada for every dollar of Canadian travel money spent in the United States.

Under war conditions, if there were no restrictions at all, the balances in our favor would be even greater. The premium on the U. S. dollar favors American travel here; it discourages Canadian travel there. The spirit of self sacrifice in the Canadian people would limit expensive pleasure travel across the line.

The ban on travel in the United States is visibly having some bad effects. It has stimulated propaganda against Canada in many American travel areas that formerly benefitted from Canadian tourist business. It has given a handle to anti-Canadian propaganda of American Nazi groups.

More Canadians should be travelling in the United States telling friends and relatives about Canada's war effort. A distinguished world figure, who has just travelled from coast to coast on an American lecture tour, said in Toronto the other day that Americans knew almost nothing about why Canada is in the war or what she is doing about it. He felt that the restrictions on travel were in part responsible for this widespread ignorance.

The simple, all-important point, however, is the net balance of war-winning U. S. dollars that we get out of tourist travel. If we permitted moderate travel intercourse on a two-way basis would Canada have a larger or a smaller balance of United States dollars at the end of the year?

The Financial Post believes that we would have more. It believes that the best send-off we could give our 1941 tourist season would be a friendly announcement that our travel restrictions were to be modified somewhat. The restrictions need not be entirely removed to achieve the desired effect.

Mr. Howe's Promises . . . and Results

Recently the Minister of Munitions and Supply, Hon. C. D. Howe, published across the national network of the Canadian Broadcasting Corporation the statement that he does not mind criticism but he thinks the press should be better informed.

This is fair enough.

How are the newspapers of Canada to become better informed on Canada's war effort?

Will their knowledge and understanding of what is going on be enhanced by Mr. Howe's instructions to his departmental chiefs that they must not give information to the press.

Will their knowledge be increased by Mr. Howe's own facts and figures?

It was Mr. Howe who said last March that Canada's navy programme called for 242 ships to be in service by March 31, 1941. The results will fall far short of the promise.

It was Mr. Howe who said in July, "early in 1941 we expect to have a production of 360 planes per month." He added that a further production programme was being discussed which would materially increase this output. The results are falling far short of the promise.

It was Mr. Howe who said in July that it was anticipated that Canadian production of Anson planes would commence before the end of 1940. On November 20 Mr. Howe said that production of airplanes in Canada covers practically every type of training plane in use in Canada. So far Canada is yet to produce its first Anson training plane for the air training plan.

It was Mr. Howe who said last July Canada was producing about 600 automotive units per day for military purposes. In November he said production was considerably in excess of 400 units per day but had not fully reached its ultimate capacity of 600 units a day.

It was Mr. Howe who last July described Canada's "largest gun plant" and said it would be in production before the end of 1940.

These are merely typical of the super-optimistic promises that Mr. Howe has so glibly made from time to time. They are among the many promises and forecasts that Mr. Howe has made that have simply failed to come to maturity.

If the press of Canada is ill-informed about our war production effort is there anyone who is more to blame for it than the Minister himself?

Editorials in Brief

In a letter to the editor, H. H. Hannam, president of the Canadian Federation of Agriculture, states that the federation definitely opposes the introduction of oleomargarine into the Canadian market. He says that the Federation approves of importation of New Zealand butter only on condition that it does not break the domestic price.

Would the Federation favor extension of the same protective principles to, say, the farm implement industry

* * *

The Truro Daily News thinks The Financial Post has become a "confirmed grouch"; that it does too much "nagging and fault-finding."

The same Truro News editorial makes the following statements:

That the Civil Service at Ottawa has been bogged down for years;

That the most obsolete methods obtain in the Government's everyday work;

That contractors wait six to eight months for their pay;

That the Civil Service is lacking in ordinary imagination;

That the Government needs practical business executives with authority, single-handed, to organize the Government's business.

* * *

Does the Government Propaganda Bureau read its own releases?

A statement issued by the Department of Munitions and Supply the other day referred to "The John Inglis Company's Bren gun plant."

If this plant, in which millions of dollars of the public's money has been invested, were actually "The John Inglis Company's Bren gun plant" the public would be entitled to know that. Actually, the plant is government-owned and is now operated on a fee basis by the John Inglis Company, which owns a smaller, adjacent plant.

* * *

A business leader offers two suggestions which he thinks would facilitate collection of income tax.

1. That a discount be offered to income tax payers who pay in advance. City of Toronto now offers such a discount and as a result has reduced its bank borrowing costs.

2. That short term bonds—say up to four years—be sold by the Government to people who would use them later in payment of income tax.

The business man points out that many well-to-do individuals and companies would be able to put a larger part of their reserves in Government bonds if they could be assured that there would be no loss on them. If the bonds were always acceptable at par in payment of Government taxes a good market would at all times be assured for them.

THE VACANT CHAIR

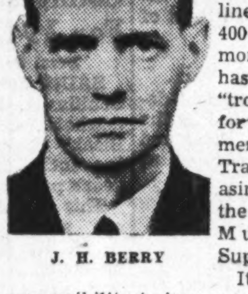
—Cartoon by Grassick.

Post-Scripts . . . .

Motor Car Czar

When Winston Churchill paid glowing tribute to the part which mechanical transport has played in British successes in Libya, one man in Canada who might have stuck his chest out an inch or so further was John H. Berry.

Until last week, when he was named Motor Vehicle Controller of Canada, Mr. Berry was scarcely known outside the little circle of automotive manufacturers who have been rolling war vehicles off their production lines at the rate of 400 a day. For six months Mr. Berry has been chief "trouble shooter" for the Government in the Motor Transport Purchasing Division of the Department of Munitions and Supply.



J. H. BERRY

It has been his responsibility to iron out production line kinks and twists; to see that all the facilities of the automotive industry were coordinated to the production of a wide variety of war machines. He will still retain this job as technical adviser to the department.

* * *

But his new and major responsibility will be to police the domestic production field and find ways and means of dovetailing passenger car output into increasing wartime demand for automotive plant and raw materials. His new job gives him very wide powers to "control and regulate the entire automotive industry." He can license or control anyone who makes or distributes automotive vehicles or parts. He may prohibit the sale or manufacture of such vehicles or parts.

If there has to be a motor car czar, the industry is glad to know that Mr. Berry has been given the job. His ability to handle the production of war vehicles has been demonstrated. His wide background in the industry suggests he will approach his new responsibilities with a useful knowledge and experience.

* * *

Mr. Berry is an Englishman who served in the Royal Naval Air Service and the Royal Air Force during the last war. After the war he took a job with General Motors in London, was later sent to Japan to establish a General Motors factory there. On returning to England he was named production manager for Vauxhall Motors Ltd., a manufacturing unit of General Motors in England.

Prior to 1939 Mr. Berry was sent to the United States to procure machine tools and equipment for Vauxhall Motors. He came to Canada last August and has established a fine reputation for drive and ability in his motor transport job.

His new work will make him the eighth member of the Wartime Industries Control Board under the chairmanship of Hugh D. Scully, steel controller. Other controllers named have been named for oil, power, timber, machine tools, non-ferrous metals, ship construction and repairs.

* * *

New Transport Deputy

Commander C. P. "Ted" Edwards' appointment as deputy minister of the Department of Transport, is a revelation of the times in which we live.

This department, formerly in the department of railways and canals, always has had a railwayman as its administrative head. The line of succession goes back through Col. V. I. Smart, through R. A. C. Henry and Graham Bell.

"Ted" Edwards is a wireless man. His qualifications are entirely in radio communication and airplane transportation. His friends would not be surprised to learn that he regards canals and railways as obsolete.

And well he might, since he has lived, the whole of his life, in the vanguard of scientific progress.

* * *

Young "Ted" fledged from his birthplace in Wales, and hired out to Marconi, who had had some success in transmitting messages through the ether. And he got a job, too, as a junior electrician. That was in 1903 and the first pay Ted Edwards ever drew came from work done in the scientific domain of the 20th century.

It was, in fact, Marconi who sent him to Canada, though a flip of the coin played a part. Marconi was sending one man to Canada to supervise the building of radio stations at Camperdown and Sable Island: another to Chile to install wireless on Chilean warships. Edwards and another flipped a coin to decide who would go where. He came to Canada in 1904, did his job, joined the Marine department at Ottawa in 1909 (then in his early twenties) as director of radio.

There he stayed, building up a radio branch which became a model of efficiency.

Mr. Edwards simply could not abide ordinary forms of communication. The radio branch invariably discussed matters from office to office by morse code.

* * *

Mr. Edwards had a full decade to wait before the radio world began to open up in earnest. He is the father of radio administration in this country — wave lengths, arctic network, ship-to-shore direction stations, Hudson bay radio aids to navigation. All this is his doing, and the absence throughout the whole of it of major controversy proves the quality of the workmanship.

Technically, he is at the top of his profession. Administratively he has had the benefit of working under Alex Johnston, for many years deputy Minister of Marine, one of the ablest administrators in the Government service.

* * *

In the great reconstruction of transport services at Ottawa a few years back, radio was taken out of Marine, civil aviation out of Defense, and all media of communication concentrated in a new department of transport.

Here, Mr. Edwards had wide scope for development. The Trans-Canada air service owes much to him and he has been an off-stage but vital figure in the Commonwealth Air Training Plan from its inception.

"Ted" Edwards is a boon companion, a man who not only works hard for the Government but is always ready for other public service. For a time he was reeve of Rockcliffe — Ottawa's model suburb.

* * *

Science and Supply

A recent addition to Ottawa's wartime personnel is A. F. Gill, recently named assistant director general of the Munitions Branch of the Department of Munitions and Supply.

Mr. Gill has been assistant to the director general of the Munitions Branch since last March. He was brought to the Department from the National Research Council, where for six years he served as head of the cost and specifications section.

Mr. Gill graduated from the University of British Columbia with the degree of Master of Arts, and practised as a chemist for a number of years, specializing in research in the non-metallic field. He did much investigation work in connection with constructions and road-building materials.

Mr. Gill has been secretary of the Canadian Government Purchasing Standards Committee. He has also done extensive work on the National Building Code and other legislation of similar nature. In 1939 he went to England with the Canadian Manufacturers' Association mission on rearmament as technical assistant to Major General A. G. L. MacNaughton.

* * *

"Private" Radio's Chief

Glen Bannerman, newly elected president and general manager of the Canadian Association of Broadcasters, is no stranger to readers of this column. Mr. Bannerman has for many years been advertising and merchandising manager of Hudson Motors of Canada, Ltd. In 1939 and 1940 he was president of the Association of Canadian Advertisers.

GLEN BANNERMAN

His work as chairman of the Radio Committee of A. C. A. made radio broadcasters jealous. They decided that Mr. Bannerman's talent for merchandising and for getting people to work together was needed in radio.

* * *

It may come as a surprise to many people that out of something more than 80 broadcasting stations in Canada only five are government-owned. The rest are privately owned stations, and most of them are members of the Canadian Association of Broadcasters.

About half of these privately owned stations are part of the basic CBC chain as far as programme purposes are concerned.

For example up in Timmins, Ont., Roy Thomson of the Northern Broadcasting Corp. owns and operates his own station, but in that area it is part of the CBC programme chain. Thus there is a very close link between the Canadian Association of Broadcasters and the government-owned corporation, although the latter is not a member of the association.

* * *

For many years presidency and executive direction of the association have been carried on by voluntary effort. much of the load in recent years being carried by Harry Sedgwick of CFRB, Toronto. Now the responsibilities and opportunity for development and improvement have reached the point where a permanent executive official of Mr. Bannerman's background and ability has been found necessary.

* * *

Glen Bannerman came to Canada from England in 1913. At the outbreak of war he enlisted with the second university company and went overseas with the Princess Patricia's Light Infantry. After the Armistice he returned to complete his education at the University of Toronto. Subsequently, he went into advertising work, first with the Robert Simpson Co. and then with Cockfield, Brown & Co. and Ronalds Advertising Agency. The Hudson Motors account is handled in Canada by Ronalds and it was not long before the motor company weaned him away from the agency.

The Financial Post

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FLOYD S. CHALMERS, Editor
DOUGLAS M. GOWDY, Business Manager.

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Other People's Views . . . .

The Canadian Editorial of the Week

Act Now, Mr. King
Brantford Expositor

After P. J. Philip, Ottawa correspondent for The New York Times, had heard Hon. C. D. Howe's statement at a recent press conference, he wrote to his paper:

"The picture he (Mr. Howe) drew was one of sharp contrast between a government and a people who, fully conscious of the danger that threatens them, are putting every ounce of effort into production, and the somewhat leisurely methods that seem still permissible on this side of the Atlantic."

It is true that Canadian methods are still far too "leisurely." It is true that Canada needs an aggressive war cabinet to put more drive into the war effort. The suggestion made by Mr. Grattan O'Leary, associate editor of The Ottawa Journal, in his address before the Ontario Municipal Electric Association, was sound. He called for a national government—

"Not a national government on party lines, for I do not believe the Conservative party in its present shape could contribute much to the war effort; but I would fire all but eight of the present Cabinet and go into the country and summon the abilities which a democracy in a crisis can always produce."

Mr. O'Leary advocated in somewhat brusque terms what The Expositor and some other newspapers have consistently recommended. A war cabinet at Ottawa and a permanent Canadian war minister in London would greatly facilitate "getting things done" when the doing is most needed.

As The Financial Post points out in its current issue, it should be said, in fairness, that Canada's effort is not all negative by any means, but the fact remains that the stage of "all-out" endeavor has not yet been reached.

It is high time it was reached. To remedy the situation, The Post, too, calls for a strengthening of cabinet leadership by "drawing on Canada's best executive brainpower irrespective of political considerations." This, again, is almost a paraphrase of what has been written in these columns.

With this reform should come another change long advocated by the Toronto financial journal, namely "the appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply."

Add to that the desirability of a much more comprehensive co-ordination of war services and this country will be "getting somewhere."

* * *

As Others See Us

Good Advice
The Maritime Farmer, Sussex, N.B.

A very good piece of advice is given by The Financial Post when it says: "Get out of debt if you can." It is good advice at any time, but is particularly timely now, in view of the fact that when the war is over, the period of readjustment will be very difficult for everyone and particularly for those who may be carrying a burden of debt. So, one's first thought with respect to his financial affairs should be to reduce, if possible extinguish, any debts with which he may be burdened. This applies not only to individuals but to business firms.

If it is good advice to get out of debt, it is equally good advice to keep from getting into debt. It should be every individual's aim now not to incur debts. Resort should be had to the practice of paying as you go. This applies to everyone. It is a time in which instalment buying should be discouraged, for those who buy on the deferred payment plan are incurring debt and it is the duty of Canadian people today to keep their affairs in as clean a financial state as possible.

Recently we have been aware of advertising inviting people to buy expensive luxury articles—take all the year to pay for them. This is certainly wrong —wrong at any time, but particularly so now. There should be a curb on deferred payment plans, for if the war ends with much of this sort of debt on people's hands, there will be much trouble for sellers as well as buyers. Buy as you go should be the self-imposed rule for everyone now, having the difficult post-war times in mind.

* * *

No Rationing in Canada
Winnipeg Free Press

With the scarcity of food for most of the people of Europe and many countries severely rationed, Canadians may well be thankful for their plentiful supply. There is a limited rationing in Britain, including sugar and fats. But on the continent of Europe there is nowhere anything like the consumption of bread, meat, sugar or fats that there is in Canada—except in Finland and Switzerland—according to a comparison compiled by the Financial Post.

When Canadians see the comparison between their food supply and that of most of the people of Europe—largely due to the war—perhaps the gratitude for their good fortune will stimulate their efforts to help deliver the world from its present terror.

* * *

What the Papers Are Saying

Why a Census?
Ottawa Citizen

When The Citizen suggested that the census be put off for a year or two it had just read an item saying that it would cost $2,000,000 and involve the employment of 17,000 functionaries to do the job. The Citizen's thought was that $2,000,000 would buy 80 Spitfires, and that 17,000 people might conceivably be put at more useful jobs than tabulating returns and counting heads.

Maybe The Citizen erred, but for so long has Canada been hearing Mr. Ilsley speak of his tremendous task of financing the war, and the prime minister talk of sacrifice and saving, that it seemed the sensible thing to propose that $2,000,000, the cost of 80 Spitfires, be saved by postponing the census.

The idea, it now seems, is silly. Nevertheless, it is safe to say that 80 Spitfires would do more for victory than a regular census.

Let's Get Going
Halifax Herald

That aircraft production is lagging in this country there can be no doubt at all. It is a plain and disquieting fact. And the people of Canada will not be satisfied until this confused situation is cleared up and production in this vitally important field is brought into line with imperative needs.

What is clearly apparent in the situation is this:

That there are "too many cookes" . . . that no one man has been given adequate authority to direct matters . . . that there is pull-hauling, divided authority, conflicting interests, and even jealousies and friction.

We repeat here what we have said more than once: that the only way to get satisfactory results is to select the best man in sight and give him ample authority to deal with the situation in Canada as Lord Beaverbrook dealt with a similar situation in Great Britain.

* * *

Bottoms Up!
Windsor Star

Hon. C. W. G. Gibson, Minister of National Revenue, declares that if the maximum war effort is to be attained, Canada needs her "bottom dollar." Most Canadians will say "Bottoms up!" to that —but perhaps a good deal more eagerly if Ottawa weren't so evidently disposed to spend bottom dollars on projects not minutely connected with the war effort.

* * *

For Governments, Too
Calgary Herald

Governments, like individuals, should economize to the greatest possible extent during the war. Thrift is just as desirable in administrative circles these days as it is among individual taxpayers.

* * *

Stop Me If . . . .

"So you traded in your old car at last," said the pessimist.

"Yes," said the optimist. "I'm not one to hold back on our defense programme when the government needs scrap iron."

Sayings of the Week

"The secret of all true knowledge—a constant and uninterrupted desire for more knowledge, a constant doubt—an incessant insistence upon further experiments and an absolute unwillingness to take anything for granted." — *Hendrik van Loon.*

* * *

"There is no more efficiency in the Dominion Government than there is in provincial or municipal governments. I have been there and I know."—*G. G. McGeer, M.P.*

* * *

"Canada cannot be a land of luxury and the arsenal of the British Empire at the same time."—*Walter P. Zeller.*

* * *

"By our help, adequate and speedy, a British victory may come sooner than we now even dare to hope."—*Thomas W. Lamont.*

* * *

"A test of democracy is its ability to act and to act successfully in meeting the issues upon which the very life of a democracy depends."—*Henry L. Stimson.*

* * *

"There is no room in the Western Hemisphere for any notions about racial superiority."—*Henry A. Wallace.*

* * *

"Stalin understands that a world union of Soviet Republics can be achieved only through a world catastrophe."—*Alexander Kerensky.*

* * *

"There are only two kinds of people in France today—one wants the British to win and the other wants the Germans to lose."—*Malcolm de Sieves.*

* * *

"Lincoln discovered the meaning of patriotism and democracy. He discovered that patriotism is not bands playing or flags flying from windows. It is a thing very holy and very terrible and gives no happiness. But it does give pride." — *L. W. Brockington, K.C.*

* * *

"A multiplicity of ease-making inventions tempt us to muscular flabbiness."—*Dr. Alexis Carrel.*

* * *

"Education is the joint product of the influence of the family, the church and the school."—*Nicholas Murray Butler.*

Week in Business

Interest Now Focused On Higher Tax Prospects

Increase in Military Training Term Brings New Problems — Study Possibilities of Manufactured Goods Now Imported

With Parliament again in session, businessmen are speculating on possibilities of increased taxation, whether it be in the form of heavier levies on business, or on the individual. Taxes on the individual which may curtail public buying are considered quite as important as taxes on business corporations. Increased taxes on the individual are considered certain, but businessmen feel there is an advantage in knowing definitely what is coming so they can make their plans accordingly. There is a feeling, however, that while increased taxes are to be accepted cheerfully in wartime, Government economies so far have not been in the same proportion as the sacrifices demanded of the people at large.

• • •

Another problem confronting business is the increase in the period for which young men are now required to take military training. Absence of a man for four months from his place of employment is a different matter from an absence of 30 days. Not only may it lead to considerable disruption in plant operations where a large number of young men are employed; it also raises problems as to payment of part-time wages during the time of absence.

Under the 30-day plan a number of industrial concerns had signified their intention of making up the difference between army pay and the wages which the individual employee was receiving. Under the four-month plan it is believed few concerns will feel able to do this. But no general decision seems to have been reached on the matter as yet. It is expected, however, that the trainees will be able to depend on their position being held open.

• • •

Canadian industrialists are giving considerable attention to the possibility of manufacturing in Canada various products which are now imported. A survey being conducted includes as well as goods now being imported those which cannot be brought in now owing to trade restrictions or because the source of supply has been cut off. Manufacture of such lines here would help to conserve foreign exchange.

• • •

Retail trade continues in a good volume with some improvement noted over the dullness ruling for some weeks after the turn of the year. Some idea of the expansion in purchasing power is provided by the estimate of Governor Graham Towers of the Bank of Canada that in 1940 the amount of income paid to Canadians was about $550 millions or 14% over the previous year. In spite of heavier taxes, contributions to the war loans and purchases of war savings certificates, a substantial increase in the amount of money to be spent on general merchandise is indicated.

Business Indicators

Current business about steady with D. B. S. index for week ended Feb. 9 pulled below previous week and last year by reduced stock market trading and prices.

Railway carloadings for week ended Feb. 8 above 1940 level despite lower grain movement.

Automobiles—Output of passenger cars in January slightly lower than last year with production of trucks more than doubled.

Newsprint production up 4% in January over 1940.

Foreign trade—Exports in January 2% below last year.

Sugar grindings for four weeks ended Jan. 25, 30% lower than year ago.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ▪.

TREND OF BUSINESS—	Feb. 8	Feb. 1	Jan. 25	Jan. 18	Feb 10/40
Weekly index of business, D.B.S.	106.1	108.3	107.7	107.7	109.0
Commodity prices index no. ...	85.0	84.8	84.8	84.6	82.3
	Dec.	Nov.	Oct.	Sept.	Year Ago
The Financial Post business index	*150.1	153.4	151.7	147.4	129.0
Retail sales index no.	102.4	95.9	93.7	90.8	87.9
Dept. stores sales index no.	101.1	98.1	92.3	89.2	89.0
Wholesale sales index no.	116.4	122.9	133.7	*124.2	98.2
Country store (% change pr. yr.)	+3.8	+15.4	+3.6	—10.7	+4.0
EMPLOYMENT INDEX Nos., D.B.S.	Jan. 1	Dec. 1	Nov. 1	Oct. 1	Year Ago
All industries	134.2	139.1	139.2	136.2	116.2
Manufacturing	142.5	144.7	144.6	143.8	118.2
Wage earners, no. 000's	....	....	....	2,867	2,545
Living costs weekly budget	....	$18.22	$18.14	$17.87	$17.77
			Jan. 1 to date		%
RAILWAYS	1940-41	1939-40	1940-41	1939-40	Change
▪Carloadings (week Feb. 8)	52,587	49,734	304,435	285,267	+6.7
▪C.N.R. gross (week Feb. 14) $	4,884,521	4,355,727	30,716,210	26,326,755	+16.7
▪C.P.R. gross (week Feb. 14) $	3,474,000	2,964,000	21,512,000	18,335,000	+17.3
C.N.R. net revenue (Dec.) $	6,273,550	3,773,613	45,007,412	20,854,419	+116.0
C.P.R. net revenue (Dec.) $	4,806,206	4,381,968	35,639,438	28,523,819	+24.9
IRON AND STEEL—Dec.—					
¶Pig iron production (tons)	110,477	94,169	1,168,894	755,731	+54.7
¶Steel ingots and castings prod. .... (tons)	185,420	150,105	2,011,172	1,384,870	+45.2
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Dec.)	8,775	7,804	101,767	90,054	+13.0
▪Factory output ... (Jan.)	11,990	12,579	....	....	—4.6
Trucks and Buses:					
Domestic sales* .. (Dec.)	2,145	2,040	29,150	24,693	+18.0
▪Factory output ... (Jan.)	11,205	4,634	....	....	+141.8
Financing:					
Used .... (Dec.) $	2,615,650	2,190,844	41,651,440	34,916,119	+19.3
New .... (Dec.) $	2,850,676	2,110,283	33,616,879	27,852,627	+20.7
CONSTRUCTION—					
Contracts awarded .. (Jan.) $	26,579,800	8,844,700	....	....	+200.5
Cement prod., bbls. (Oct.)	1,099,092	680,902	6,627,710	5,104,383	+29.8
AGRICULTURE—					
Flour prod., bbls. .. (Dec.)	1,076,132	1,599,966	16,254,921	16,887,070	—3.7
Flour exp., bbls. ... (Jan.)	354,818	725,316	......	......	—51.1
Wheat exp., bush. ... (Jan.)	4,880,080	10,357,605	......	......	—52.9
Cattle sales▴ .... (Jan.)	83,707	83,634	....	....	+0.08
Hog sales▴ .... (Jan.)	532,259	393,198	....	....	+35.4
SEA FISHERIES—‡					
Catch cwts. .... (Dec.)	511,900	451,300	10,860,550	9,585,150	+13.3
Landed value ...... (Dec.)	1,006,900	757,300	17,850,700	16,641,350	+7.2
NEWSPRINT—					
▪Production, tons ... (Jan.)	261,298	251,032	....	....	+4.1
Exports, tons ...... (Nov.)	276,586	253,997	2,979,336	2,403,432	+23.9
MINING AND OILS—					
▪Coal prod., tons ... (Dec.)	1,419,507	1,174,014	17,207,363	15,380,886	+11.9
Coal prod., tons ... (Nov.)	1,822,563	1,740,879	15,787,856	14,206,872	+11.1
Coal imports, tons . (Nov.)	1,479,922	1,947,631	16,723,995	12,726,947	+31.3
Gold prod., fine oz. (Oct.)	467,441	433,086	4,402,782	4,234,846	+3.9
Crude oil prod., bbl. (Oct.)	817,596	816,257	7,086,161	6,603,374	+7.3
▪Crude oil imp., bbl. (Dec.)	2,212,246	1,793,830	42,415,300	37,311,430	+13.7
ELECTRIC POWER OUTPUT—(December)—					
Total monthly, 1,000 kw.h.'s	2,584,341	2,536,242	30,080,248	28,351,514	+6.1
FOREIGN TRADE—♦					
Imports .... (Dec.)	102,289,873	72,109,338	1,081,938,116	751,055,534	+44.0
▪Exports .... (Jan.)	88,952,659	90,843,837	....	....	—2.0
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (Dec.)	190,249	150,312	2,451,638	2,113,206	+16.0
▪Shoes, prod., pr. ... (Dec.)	2,044,725	2,208,374	26,261,088	25,438,631	+3.2
Cotton consump., lb. (Dec.)	16,182,308	13,922,497	191,295,405	128,762,233	+48.5
▪Raw rubber imp., lb. (Dec.)	16,321,954	6,218,159	113,773,859	70,212,487	+62.0
Cigarette cons. No.† (Dec.)	574,837	512,380	7,571,841	7,126,192	+6.2
▪Sugar manufactured .. lb.§	37,921,156	54,728,387	....	....	—30.7
FINANCE—					
Bank debits† ...... (Dec.) $	3,208,348	3,056,867	34,437,475	31,617,352	+8.9
Bond sales† .... (Dec.)	326,704	72,719	2,277,999	1,441,751	+58.1
Life insurance sales (Dec.) $	33,727,000	34,759,000	365,217,000	368,726,000	—0.9

¶D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Preliminary.
▴Total at yards and plants.
New items for week marked ▪
†000's omitted. §For four weeks to Jan. 25. ♦Gold excluded.

ELECTRIC POWER PLANTS
For STAND-BY and PEAK LOAD Service
Automatic or Manual Control
Gasoline, Diesel and Natural Gas
ATLAS POLAR COMPANY LIMITED
1130 Bay Street, Toronto
Dominion Square Bldg., Montreal

PRESIDENT

J. Gordon Fleck has been elected president of the Canadian Lumbermen's Association. Mr. Fleck is vice-president and managing director of J. R. Booth Ltd., Ottawa.

Use Of Cotton Gains Sharply

Bales Opened by Canadian Mills Increase 48.9% During 1940

From Our Own Correspondent

MONTREAL. — Consumption of raw cotton in Canadian mills during 1940 increased 48.9% over the previous year. There were 382,924 bales of raw cotton of 500 lb. opened during the year, compared with 257,246 bales in 1939, according to the Cotton Institute of Canada.

December consumption of 32,665 500-lb. gross bales was on about the same level as November, but up from the 27,752 bales opened in Dec., 1939.

Index of cotton consumption, adjusted for seasonal variation, stood at 199.1 in December, against 168.7 in November, and 171.3 in Dec., 1939.

Following are comparative figures for 1940 and 1939:

Cotton Consumption in Canada

	*Bales opened 1940	1939
January	27,266	14,412
February	35,740	15,296
March	31,996	18,681
April	31,484	15,956
May	35,379	18,606
June	30,645	21,299
July	30,183	20,289
August	32,468	24,406
September	28,727	22,665
October	33,555	26,014
November	32,816	31,870
December	32,665	27,752
Total	382,924	257,246

*500 lb. gross each.

Adjusted Index

	1940	1939
January	174.9	92.5
February	221.5	94.9
March	207.4	121.2
April	167.8	89.1
May	205.1	107.9
June	179.0	124.4
July	187.2	126.0
August	201.2	148.4
September	191.6	152.1
October	192.4	143.3
November	168.7	166.0
December	199.1	171.3

Sales of Refrigerators Greater During 1940

From Our Own Correspondent

MONTREAL.—Household electrical refrigerators sold in Canada during 1940 numbered 61,912, according to returns made to the National Electrical Manufacturers Association. This contrasts with 51,840 units in 1939.

There was no falling off of sales toward the close of the year, sales in December totalling 3,139 as against 1,539 for the same month a year ago.

Quebec Liquor Board Profit $7.6 Millions

MONTREAL.—Annual report of the Quebec Liquor Commission shows net profit of $7.6 millions in the year ended April 30, 1940. Sales totalled $18 millions. Average sales per store amounted to $60,171. Sales of spirituous liquors dropped 17% from 1925 to 1940, while wine sale during the same period increased 33.8%.

Business Year Book Gives Data on War Organizations

The Financial Post Business Year Book and Market Survey for 1941 just published, in addition to its usual wealth of facts and figures on Canada's economic activities, includes many new features adding materially to its value.

These new features include a:

Directory of war organizations, boards, controllers, and companies.

Survey of war contracts placed in Canada in the first 16 months of war.

Survey of Canada's war financing.

Summary of Foreign Exchange Control.

An exclusive feature is a map of Canada's economic front showing the resources of the Dominion and where these are mainly located. Thus it notes in the Maritimes such products as ships, codfish, coal and steel; Ontario and Quebec—metals, explosives, and other manufactured lines; Manitoba—copper, zinc, flour and textiles, Alberta and Saskatchewan—coal, oil, bacon, wheat, explosives, etc., and in British Columbia minerals, ships, salmon and airplanes.

Other special features include explanations of Canada's new unemployment insurance plan, import restrictions, tax changes and a brief synopsis of the Rowell-Sirois report.

The usual information contained in the book has been revised and brought up to date. Extensive data are given on the various economic activities in Canada such as agriculture, manufacturing, mining, hydro-electric power, merchandising, mining and the various branches of finance—banking, insurance, trust and loan companies, etc.

In addition, complete data are also given regarding the various economic areas and cities and towns in Canada showing population, transportation facilities, volume of retail sales, buying power, etc.

Altogether the book forms an encyclopedia of Canadian business indispensable to any person who wants to buy or sell in the Canadian market or who is interested in Canada's national affairs.

Keeping Posted . . . . . .

By JOHN C. KIRKWOOD

An investigation made by Cluett, Peabody and Company among men's wear departments in nine of the largest stores of the United States, revealed the fact that 85% of customers walked away after having made a single purchase. Only 7% of shirt customers bought also a tie. These poor results were the case when kindred or allied items were not shown and made instantly available in the same department. When related merchandise was brought together, however, the number of tie buyers increased to 30%, and when ties and shirts were styled so that certain ties were companion pieces to certain shirts, from 50 to 70% of shirt buyers also bought ties. It was found that the same principle applied to other related merchandise, such as pyjamas and shorts, ties and socks, shirts and handkerchiefs, and shirts, ties and socks.

JOHN C. KIRKWOOD

Conclusions from the investigation and from the results of new merchandising tactics led to this bit of advice to sales persons: "Above all let the customer buy," meaning provide open displays and the stocking of goods which can be easily seen and examined, instead of quarantining merchandise away in showcases.

The full story of this Cluett, Peabody investigation and findings is told in the February issue of Men's Wear Merchandising.

• • •

For the Services

The Department of National Defense has issued an attractively illustrated booklet listing no less than 1,057 organizations in Canada now engaged in providing services both in military training camps and outside the camps, in cities, towns and rural districts. The facilities being provided across Canada include a total of 15 hostess houses; 550 club rooms, club houses and similar quarters outside military areas or camps; 135 libraries; 62 recreational huts with canteens in military areas; 62 cinema shows and 20 clubs in training centres. Social service departments have become part of the facilities in many of the larger canteens. Educational departments have been set up to provide the soldiers, sailors or airmen with facilities to continue their education as a means of better fitting them to take a place in industrial or business fields after demobilization. A most excellent account of this educational work is given in Maclean's Magazine. Over 15,000 men are getting free schooling through courses financed by Canadian Legion War Services.

Paint and Light

Very shortly many thousands of houses in Canada will be renovated with wallpaper and paint. Thrifty persons may welcome the following bit of information found in the current issue of Canadian Paint and Varnish Magazine: Certain colors will make a room lighter while others make it darker. A 100-watt bulb might be light enough to read by in a room with white or cream walls, while the same bulb in a room with red or blue walls wouldn't give enough light to prevent eyestrain. Perfect white reflects as much as 80% of the light in a room tinted with ivory it drops to 78%. Add a little tan and its reflecting power is lowered to 64%. Bright sage green is placed at 48%; sky blue at 35%; and dark blue-grey at only 17%. So when you are choosing papers and paint, give a thought to their power to reflect light.

PAGE-HERSEY TUBES, LIMITED

BALANCE SHEET AS AT DECEMBER 31st, 1940

ASSETS

Fixed		
Real Estate, Buildings, Plant, Machinery and Equipment, at cost	$6,235,737.18	
Investment in Stocks of Subsidiary and Allied Companies	900,000.00	$ 7,135,737.18
Current		
Cash on hand and in Banks	922,377.72	
Accounts and Bills Receivable—less reserves	1,445,428.38	
Employees' Stock Participation Fund	31,974.57	
Investment in Government Bonds and other marketable Securities .... (Market value $2,559,892.37)	2,389,485.24	
Merchandise Inventory — Valued at lower of cost or market—less reserve	3,313,412.26	8,102,678.17
Total Assets		$15,238,415.35

LIABILITIES

Capital Stock		
No Par Value. Authorized —175,000 shares		
Issued and Outstanding—174,276 shares....	$6,249,670.68	
Earned Surplus	2,695,000.00	
Profit and Loss Account	1,560,533.45	$10,505,204.13
Reserves		
Depreciation of Buildings, Plant, and Machinery	3,237,020.96	
Furnace Reconstruction	30,000.00	3,267,020.96
Current		
Accounts Payable	481,738.11	
Accrued Wages and Miscellaneous Expenses..	87,777.23	
Due to Subsidiary Companies	55,343.17	
Dividend declared and payable January 2nd, 1941	215,935.00	
Provision for Income and Excess Profits Taxes	625,396.75	1,466,190.26
Total, Capital, Surplus, Reserves and Liabilities.....		$15,238,415.35

Certified correct as per Auditor's Report attached.

Signed on behalf of the Board,

C. L. DUNBAR, Director.
A. W. HOLMESTED, Director.

Auto Sales Gain 18% In 1940

Upswing Shown in Last Quarter Is Extended Through December

New motor vehicles sold in Canada in 1940, excluding deliveries to the Government for war purposes, showed increases of 14% in number and 18% in value over 1939. According to the report for the year by the Dominion Bureau of Statistics, sales last year numbered 130,917 units valued at $149,165,627.

Of the grand total, trucks and buses sold numbered 29,150 units (up 18%) valued at $34.3 millions (up 19%). New passenger cars sold numbered 101,767 (up 13%) valued at $114.8 millions (up 18.2%).

The upswing in sales during the last quarter of the year was continued into December, when sales showed a rise of 11% in number and 18% in value. This increase was contributed chiefly by passenger car sales.

Chief Makes Sold

The trend of sales of the principal makes of cars, through 1940 and in the final month of the year, is shown by the following analysis by Canadian Automotive Trade of passenger car registrations in central Canada and the Maritimes.

New Passenger Car Registrations in Eastern Canada
Twelve Leading Makes for the Month

	December 1940	December 1939	— 12 Mos. — 1940	1939
Chevrolet ..	1,391	1,272	15,259	11,597
Dodge	1,211	637	12,226	10,254
Plymouth ...	937	544	10,829	9,158
Ford	873	1,133	10,405	10,084
Pontiac	590	471	4,996	4,070
McL.-Buick .	338	462	4,170	3,425
Oldsmobile ..	337	315	3,256	2,995
Chrysler	233	211	2,693	2,387
Mercury	220	307	2,563	2,485
Nash	159	57	606	592
De Soto	112	81	1,253	1,060
Hudson	110	246	2,705	2,704
	6,511	5,836	69,961	60,811

Labor Trouble Slight At First of Year

Labor trouble in the first month of this year was of moderate proportions and about on a par with both the preceding month and Jan., 1940. Slight increases were shown in the number of strikes and the total of workers who walked out, but declines were reflected in the loss of working time.

Strikes in Canada

	—January— 1941	1940	Dec. 1940
No. of strikes	10	6	9
No. of strikers	1,453	919	903
*Time loss	3,238	6,861	3,360

*Man-working days.

PROVINCE OF QUEBEC
SINKING FUND DEBENTURES
3¾% Debentures, due February 1, 1951
PRICE: 99.50* to yield 3.81%
4% Debentures, due February 1, 1956
PRICE: 100.00* to yield 4.00%
*Plus Accrued Interest
Official Prospectus will be mailed upon request
A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria London, Eng.

Buy
WAR SAVINGS CERTIFICATES
regularly!
McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Offices at Toronto, Montreal, Ottawa, Hamilton, London,
Correspondents in New York and London, England.

DOMINION-SCOTTISH

Dominion - Scottish Investments Ltd. has declared a dividend of 1% (50 cents) a share on its preferred stock, payable March 1, 1941, to shareholders of record Feb. 20. Following this payment arrears will be $6.17½ a share.

All over the country there are people of modest means who are eager for the sense of security that life insurance can give them.

Yet many of these people cannot afford to buy Ordinary life insurance in $1,000 units, with premiums payable annually, semi-annually, quarterly, or even monthly. They have to buy life insurance just as they buy almost everything else—*in small amounts*—with premiums payable in small, frequent installments.

That is why these people are grateful for the special method of furnishing protection known as weekly-premium "Industrial" life insurance—insurance they can conveniently pay for because the premiums are due in modest weekly payments. In fact, it can truthfully be said that if weekly-premium life insurance were not available, millions of people would have no life insurance at all.

These people welcome, too, the added convenience of having a company agent call regularly at their homes to collect their insurance premiums.

The relatively small amount of insurance per policy, the special services rendered, and the additional fact that premiums are payable in small installments, tend to make weekly-premium Industrial life insurance somewhat more expensive for the company to handle, and therefore more expensive for the policyholder. The higher average death rate experienced among these people also contributes to a somewhat higher premium rate.

Metropolitan, however, is constantly studying ways of improving even further the efficiency with which this business is conducted. Throughout the years, consistent progress has been made in liberalizing the terms of Industrial insurance policies and providing more benefits for less cost.

Moreover, Metropolitan engages in extensive health activities in an effort to help these policyholders to protect their health and lengthen their lives.

The large amount of money Metropolitan pays or credits as dividends each year to its Industrial policyholders surely bears testimony to the fact that millions of people have found a measure of security and peace of mind in Industrial life insurance.

This is Number 34 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements will be mailed upon request.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK

Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT

CANADIAN HEAD OFFICE
OTTAWA

THE STAKES

"All that we have and are"

"In the fullest comity with our Dominions, we are moving through a period of extreme danger and splendid hope, when every virtue of our race will be tested and all that we have and are will be freely staked."

Right Honourable Winston Churchill

YOUR PLEDGE for the regular purchase of War Savings Certificates is urgently needed. It may be placed with your employer or your bank.

SAVE LEND TO CANADA

SAVE A PART OF ALL EARNINGS . . .
HELP TO BUILD PLANES AND SHIPS . . .
TO FURNISH SUPPLIES AND MUNITIONS.

Manage your income through a Bank account—Budget your earnings to provide for Income and other Taxes—to provide for usual expenses of living—to purchase War Savings Certificates which in turn will provide a nest egg for the future.

The furtherance of the War Effort has a first call on the Bank's services and support. This applies particularly to the increased operations of manufacturing and other business concerns—of agriculturists—and to the efforts of all citizens.

An Account at any of our Branches will be helpful.

The BANK of NOVA SCOTIA

EST'D. 1832—OVER A CENTURY OF BANKING EXPERIENCE

U. S. Cellulose Acetate Greater in Past Year

From Our Own Correspondent

MONTREAL.—Production of cellulose plastic products in the form of sheets, rods and tubes, in the United States amounted to 8,887,237 lbs. in 1940. This compares with 9,140,907 lbs. in 1939 and 6,830,506 lbs. in 1938.

The production of cellulose acetate molding composition last year showed a relatively sharp increase, totalling 14,962,813 lbs., as against 11,654,928 lbs. in 1939. Compared with 1938, production last year showed an increase of just over 100%.

A Good Name

For over 70 years the name Maclaren, in the Ottawa Valley, has stood for fair dealing and a quality product.

Newsprint—Groundwood

270,000 h.p. Hydro Power Installed capacity

MACLAREN POWER & PAPER COMPANY

Maclaren-Quebec Power Company
The James Maclaren Company Limited
BUCKINGHAM, QUEBEC

DONNACONA
INSULATING PRODUCTS
FOR EVERY INSULATING PURPOSE

Alexander MURRAY & Company LIMITED
MONTREAL TORONTO HALIFAX
SAINT JOHN WINNIPEG VANCOUVER

Abitibi Power & Paper Company, Limited

TORONTO, ONT.

Owning directly or through subsidiary companies, mills at

Beaupre, Que. Iroquois Falls, Ont.
Pine Falls, Man. Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. Fort William, Ont.
Port Arthur, Ont.

Newsprint

Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

O'Keefe's
is better for you

O'KEEFE'S BEVERAGES LIMITED

Pulp and Paper Industry

Hearst Newsprint Credits Kept In Check During 1940

From Our Own Correspondent

MONTREAL.—Delivery of Canadian newsprint paper to the Hearst newspapers increased in 1940, but no further credit was extended, judging by returns of the St. Lawrence group. A number of the Canadian newsprint manufacturers are supplying Hearst with newsprint and until all financial statements for 1940 are available, it will not be possible to summarize the debt of this American chain of newspapers to the Canadian companies. Meanwhile returns of the St. Lawrence group—Brompton, St. Lawrence Paper Mills and Lake St. John Power and Paper—provide a cross section of the standing of the Hearst accounts.

At the end of 1940 the Hearst companies owed these three manufacturers on account of newsprint delivered, $1,823,812. Of this sum $1,639,433 was in notes, the value of which is still uncertain, and the balance of $184,379 on open account. Compared with 1939 notes receivable show no change, while the open account shows an advance of a little over $17,000 for these three companies.

The position of the Hearst account with the three companies in the St. Lawrence group is set out in the following table:

Hearst Account

	1940		1939	
	Notes	Current	Notes	Current
Brompton	$ 221,236	$	$ 221,237	$ ....
St. Lawrence Paper	385,873	88,265	385,873	83,741
Lake St. John	1,032,324	96,114	1,032,324	73,326
Subtotal	1,639,433	184,379	1,639,434	157,067
	184,379		157,067	
Grand total	1,823,812		1,796,501	

U. S. Pulp Mills Maintain High Operating Schedule

From Our Own Correspondent

MONTREAL. — Mills reporting to the United States Pulp Producers Association in December operated at 86% of capacity, according to a report released by the association. This resulted in an output of 621,504 tons. Compared with the previous month the operating ratio shows no change, while the amount of pulp produced was roughly 18,000 tons less.

The reporting chemical mills operated at near capacity during December, output of sulphite totalling 200,776 tons and of sulphate 308,306 tons. This was fractionally under that reported in the previous month.

Groundwood mills reported operations at 67% of capacity for an output of 99,153 tons. In the previous month production totalled 105,933 tons.

A breakdown of the returns of the reporting mills to the United States Pulp Producers Association for Dec., 1940, follows:

December Wood Pulp Statistical Review
(In tons of 2,000 pounds, air dry weight)

	% of ind'y capacity reporting	Production during December	Used by producing mills	Sales foreign & domestic	Stocks* on hand end of December	Imports during December
Total, all grades .. except soda.	86%	621,504	487,149	136,394	153,684	69,988
Total sulphite	97%	200,776	103,915	103,427	75,855	43,971
Bleached	100%	120,758	60,011	66,417	42,884	23,603
Unbleached	92%	80,018	43,904	37,010	32,971	20,368
Total sulphate	96%	308,306	284,079	27,092	33,333	14,438
Bleached	100%	47,027	40,641	7,218	3,910	6,024
Unbleached	95%	261,279	243,438	19,874	29,423	8,414
Groundwood	67%	99,153	87,586	4,375	35,890	10,818
Damaged, off-quality & miscellaneous .	41%	13,269	11,569	1,500	8,606	761

*Total, for own use and sale, of pulp of own manufacture (does not include stocks of purchased pulp).

Container Materials Judgment Reserved

The Ontario Appeal Court has reserved judgment on the appeal of Container Materials Ltd. and 18 other companies convicted last fall under the Combines Investigation Act.

The hearing on the appeal occupied several weeks and the decision is regarded of considerable importance as a test case in the enforcement of anti-trust legislation.

Newsprint Output Up in January

MONTREAL.—Newsprint production in Canada got off to a good start this year, with output in January totalling 261,298 tons, as against 251,382 tons same month last year. Shipments, on other hand, were down slightly, amounting to 243,394 against 244,273 tons year ago.

New Books . . . .

The Paper Industry

POST'S PAPER MILL DIRECTORY: 1941 EDITION. Published by The Paper Mill, 1440 Broadway, New York City. Price: regular edition, $3; salesmen's edition with fabrikoid cover, $4.

For many years The Paper Mill, a well-known American trade publication, has been publishing an annual directory of paper and pulp mills in the United States and Canada. It contains a mass of information particularly valuable to anyone interested in or doing business with the pulp and paper industry. The directory contains a list of pulp and paper mills not only in Canada and the U. S., but in Newfoundland; details of equipment; production statistics; capacity of mills, buyers guide; mill officials and list of industry associations.

War Savings

Past the Halfway Mark

Local war savings thermometers in many parts of Canada are crowding the boiling point, but there's very little mercury in the national indicator. Reason seems to be that committeemen are too busy reaping a thrift harvest in the field to report their successes to Ottawa. Only about a fifth of the committees have reported to date, but these 300 or so reports tell a pleasant tale.

A little arithmetic applied to the figures available seems to indicate that something like 53% of the Dominion's quota of subscribers had been signed up in the first two weeks' campaigning. The figures omit two important groups, the bank pledges and the companies which are not reporting until they are sure they have corralled every possible saver in the organization. In most communities these will come in a lump and give a sudden boost to the figures.

• • •

75% of Objective

It is hard to say which is more important, the number of subscribers or the amount subscribed. So far, the dollar totals seem nearer to the objective than do the number of subscribers. In the first half of February, Ottawa received cash of $3.7 millions for investment in certificates, indicating a monthly rate of $7.5 millions or 75% of the objective.

When it is realized that over 1,000 committees did not go into action until after the beginning of the month, there appears to be a good chance of bringing monthly totals well above the $10 millions objective.

Although the figures to date are incomplete, the results appear to be better from the small and medium cities than in the larger cities. This is no doubt largely due to the greater ease of organizing a smaller territory. Another factor seems to be the existence of a war industry in the district, particularly where the war work is handled by one of the larger industrial companies. The aid that large industrial employers can give to local organizers is borne out by the fact that Sudbury has doubled its quota, Welland has nearly trebled its objective, while Oshawa, Kingston and Arvida, Que., are all near or past their objectives.

• • •

Nationwide Hook-up

The Bell Telephone Co. of Canada has exceptional facilities for communicating with its employees. Recently, its lines were joined into a public address system through which J. L. Ilsley, Minister of Finance, C. F. Sise, president, and other company officials spoke to Bell employees across Canada to boost the sale of War Savings certificates.

The Bell people are interested first in signing up 100% of their employees for the campaign, but plans are being prepared to use the system for the benefit of the campaign as a whole. Internally, the company will use the same methods that were found effective in selling employees on the company's employee stock purchase plan. When this campaign has succeeded, the company's wide public contacts are to be harnessed to the general effort. War Savings Stamps will be handled by the commercial departments, while other departments will boost sales in much the same way as the sale of telephone service is promoted.

The Bell Telephone Company's objective of 100% enrolment, each employee contributing 5% of his salary, would bring $840,000 annually to the Dominion's war chest.

• • •

Star-Spangled Certificates

Reports from Washington state that the U. S. is about to enter into a plan similar to the Canadian War Savings certificates. The United States certificates will probably be sold at a 20% discount, as in Canada, but will mature in ten years rather than in 7½ years. The interest rate will thus be 2% instead of the 3% paid to Canadians. Plans call for the sale of savings stamps, probably by postal authorities, in denominations of 10, 25, 50 cents and $1.

BELL SHARES ISSUED

From Our Own Correspondent

MONTREAL.—The Bell Telephone Co. of Canada advised the Montreal Stock Exchange that 721 additional shares of capital stock have been issued under the employees stock plan, bringing the number of shares outstanding to 823,269.

U. S. Publishers Use More Paper

January Returns Reveal Greater Consumption—Stocks Are Higher

From Our Own Correspondent

MONTREAL. — Consumption of newsprint paper in January by American publishers reporting to the American Newspaper Publishers Association amounted to 229,799 ton, an increase of 11,311 tons over Jan., 1940, but seasonally off from December.

Reporting publishers held 308,800 tons of newsprint on Jan. 1 last and received 223,343 tons during the month. They used 229,799 tons and sold 782 tons, to leave 301,562 tons on hand at the end of January.

Pulp and Paper Group Elects 1941 Executive

From Our Own Correspondent

MONTREAL.—List of officers of the Canadian Pulp and Paper Association for the current year has now been completed with nominations to the executive and is as follows:

F. G. ROBINSON, President. Mr. Robinson is vice-president of Canadian International Paper Corp.
R. A. McINNIS and BRIG. GEN. J. B. WHITE, D.S.O., vice-presidents, both former presidents.

Executive:

S. L. deCARTERET, Can. International Paper Co., Montreal.
HAROLD CRABTREE, Allied War Supply Corp., Montreal.
W. S. KIDD, The E. B. Eddy Co., Hull.
E. M. LITTLE, Anglo-Can. Pulp & Paper Mills, Quebec.
J. PIERRE ROLLAND, Rolland Paper Co., Montreal.
P. H. SCOWEN, Brompton Pulp & Paper Co., East Angus.
E. H. SMITH, Howard Smith Paper Mills Ltd., Montreal.
W. H. SMITH, Abitibi Power & Paper Co. Ltd., Toronto.
R. L. WELDON, Bathurst Power & Paper Co. Ltd., Montreal.
C. P. WHITEHEAD, Consolidated Paper Corp. Ltd., Montreal.
L. F. WINCHELL, Hinde & Dauch Co. of Canada Ltd., Toronto.
A. E. CADMAN, Secretary-manager.

Wider Demand For Fine Papers

Empire Requirements Keep Canadian Mills Operating at Capacity

From Our Own Correspondent

MONTREAL. — Considerable increase in exports of fine papers from Canadian mills has taken place since outbreak of the war, according to a statement made by G. A. Davidson, Chairman of the Book and Writing Section, at the annual meeting of the Canadian Pulp and Paper Association.

While all mills have been unable to take care of all demands, Mr. Davidson added, there is close co-operation in an endeavor to supply the export market, priority being given to Empire markets. It is hoped, he continued, that the connections established will be maintained after the war when the tonnage shipped to these markets will be useful and valuable to the Canadian mills.

In reviewing outlook for the current year, Mr. Davidson said prospects were somewhat uncertain and difficult to forecast. However, it is anticipated production will be maintained at satisfactory levels and "it is hoped that conditions may also remain stable. Difficult problems will undoubtedly arise under war conditions, but by mutual understanding and co-operation the mills confidently believe that they can meet these problems and provide a satisfactory remedy."

REDEEMS "A" SHARES

From Our Own Correspondent

MONTREAL.—St. Lawrence Corp. reports that 620 shares of the Class "A" preferred stock have been cancelled. This leaves 293,317 shares outstanding.

YOUR DUPLICATING CAN "LOOK LIKE A MILLION"!
(AND COST LESS THAN USUAL) IF YOU USE THAT
BETTER-LOOKING, FREE-RUNNING

Script mimeo BOND

Made (in Pure White and six smart shades) by Provincial Paper Limited.
Sold and recommended throughout Canada by leading dealers.

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
OFFICES:
Agency Building - - - - - Edmonton, Alta.
221 A 8th Ave. W. - - - - - - Calgary, Alta.
McCallum-Hill Building - - - - Regina, Sask.
411 Avenue Building - - - - Saskatoon, Sask.

It's Your Business

The Success of the Drive
for the sale of
War Savings Certificates

depends largely on the thoroughness with which the Payroll Savings Plan is put into operation, in factory, office, warehouse or store, both as regards the number of people who pledge themselves, and the amounts for which they pledge.

The success of the Payroll Savings Plan, in turn, depends on the forceful leadership and enthusiastic co-operation of employers of labour.

Employers!
This Is Your Responsibility

If you need further information or assistance, call on your Local Committee—*but act at once.*

THE WAR SAVINGS COMMITTEE
Ottawa

Faith in Canada's Future

To lend money on Canadian real estate away back in 1855, when this Corporation was first established in business, required more than good judgment—it required faith. The future of Canada was obscure. Never in the years that have followed has that faith wavered. It governs the Canada Permanent policy to-day.

CANADA PERMANENT Mortgage Corporation

Head Office 320 BAY ST. - TORONTO

Assets Exceed $67,000,000

MOVE with EASE STORE with SAFETY

MOVING SHIPPING PACKING STORING

M Rawlinson LIMITED

KI. 5125 · 610 Yonge St. Toronto

THE ALPINE INN

Laurentian Mts. . . luxurious log chalet . . . new modern building . . rooms with bath—sprinkler protected, and every up-to-date convenience.

Two ski tows and "Hill 60" on property . . proximity to Mount Baldy . . European and Canadian ski instructors . . other interesting activities for the non-skier. Write, booklet. The Alpine Inn, Ste. Marguerite Station, Que.

Company Reports

Western Grocers

Higher dividends from subsidiaries brought improved earnings to Western Grocers Ltd. in the year ended Dec. 31, 1940. Marketing difficulties in connection with the large 1940 wheat crop prevented the company from experiencing the usual fall upturn in sales with the result that operating profits declined from $391,156 in 1939 to $373,998 in 1940, although dollar volume of sales was higher.

W. P. Riley, president of Western Grocers, reports that the company's bank loan of $80,000 at the end of 1939 was wiped out during the year, and none of the company's subsidiaries was indebted to banks at the end of the year. Accounts receivable declined from $750,220 to $687,373 during the year.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Operating profit	373,998	391,156
Less: Depreciation	28,971	27,154
Exec. salaries	64,606	74,458
Directors' fees	3,000	3,500
Legal fees	984	916
Income taxes	105,000	70,000
Add: Divds. rec.	98,197	11,602
Net profit	269,634	226,730
Less dividends:		
Preference	83,601	83,601
Common	50,829	50,829
Surplus for year	135,204	92,300
Add: Prev. surplus	720,775	628,475
Surplus forward	855,979	720,775
Earned per Share:		
Preference: Earned	$22.58	$19.98
Paid	7.00	7.00
Common: Earned	10.98	8.45
Paid	3.00	3.00
Shares O/s.:		
Preference, $100 par	11,943	11,943
Common, n.p.v.	16,943	16,943

Working Capital

	1940 $	1939 $
Current assets	2,046,546	2,196,046
Current liabilities	850,965	870,665
Working capital	1,195,581	1,325,381

Amal. Electric

Amalgamated Electric Corp. reports net profits of $79,800 in the year ended Dec. 31, 1940, compared with $56,515 in 1939. This was equivalent to earnings on the common stock of 95 cents and 67 cents, respectively.

Provision for depreciation amounted to $68,281 in 1940, compared with $37,344. Reserve for income and "excess" profits taxes totalled $51,908 in 1940, against $13,663 in 1939.

P. F. Sise, president, states in the annual report that 1940 provision for "excess" profits tax may be subject to revision when "standard profits" are determined. Amalgamated Electric has filed a brief to claim that it should be classed as a "depressed" industry during the 1936-39 period.

There was an interim dividend of 25 cents a share paid on the capital stock Dec. 26, 1940, the first dividend on the new common stock.

Mr. Sise reports that it was found necessary during the past year to move stocks of finished goods to rented warehouses in Toronto because of the need at the Montreal plant for additional space for manufacturing facilities.

Capital expenditures of $56,507 were made during the year and, after deduction of $2,035 for scrapped equipment, there was a net increase in plant investment of $54,472. Larger depreciation allowance was made to take into consideration extra wear on equipment from abnormal operating conditions.

Inventories shown on the balance sheet at the end of 1940 rose from $369,392 to $724,024. This increase was necessitated by increase in business volume and difficulty in obtaining delivery of raw materials, Mr. Sise states.

Construction and rehabilitation of plants for the manufacture of war materials has substantially increased the demand for all types of electical supplies, according to the president.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Operating income	228,609	127,801
Less: Exec. sals.	27,673	22,490
Directors' fees	2,140	......
Legal fees	1,569	1,008
Operating income	197,227	104,303
Add: Misc. income	2,762	3,219
Total income	199,989	107,522
Less: Depreciation	68,281	37,344
Profits taxes	51,908	13,663
Net profit	79,800	56,515
Less: Dividends	21,103	......
Surplus for year	58,697	56,515
Add: Prev. surplus	56,515	......
Surplus forward	115,212	56,515

Working Capital

	1940 $	1939 $
Current assets	934,331	719,019
Current liabilities	240,541	94,247
Working capital	693,790	624,772

Simpsons Ltd.

Benefit of an increase of over $700,000 in operating profits for the company year ended Jan. 8, 1941, as compared with the previous year, was counteracted by higher non-operating expenses of Simpsons Ltd. In addition to an increase in taxes of nearly $400,000, higher deductions for depreciation were made in the latest period and a special reserve of $400,000 for possible decline in inventory values was set up.

Expenditures of $1.4 million were effected on capital assets, principally as a result of a major extension of the five-story building in Halifax and the completion of the Mutual Street building in Toronto. Depreciation reserves were increased $944,096 during the year and amounted to $7.4 millions at Jan. 8, 1941.

In the period under review the company retired a further $350,000 of its first mortgage bonds, while preferred shares of the subsidiary Robert Simpson Co. in the hands of the public were lowered to $2,299, from 2,402 the year before.

As a result of the year's operations, bond interest on the first mortgage bonds was covered 5.38 times after allowing for depreciation, against 4.94 times in preceding year. Earnings per share were slightly lower than in the year before, but the payment of $1 on preferred stock arrears reduced arrears to $22.62½ per share on this class of stock.

Consol. Income and Surplus Account
Years Ended

	Jan. 8, 1941 $	Jan. 3, 1940 $
Profit from oper.	3,932,813	3,219,515
Add: Invest. income	1,320	1,379
Net earnings	3,934,133	3,220,894
Less: Int. 5% 1st mtge. bds. R. Simpson Co.	......	53,704
R. Simpson divs., net	13,891	125,211
Directors' fees	12,370	12,830
Int. Simpsons Ltd. bonds	550,978	447,013
Employees' savings & profit fund	34,597	34,327
Prov. for pensions	47,000	47,000
Refunding exp. w/o	172,671	228,162
Deprec. res	944,096	820,284
Inventory res.	400,000	......
Inc. tax prev.	831,000	448,000
Net profit	927,530	1,004,363
Less: Pref. divs.	843,750	675,000
Surplus for year	83,780	329,363
Add: Prev. surplus	2,133,422	1,804,059
Surplus forward	2,217,202	2,133,422
Earnings per Share:		
Simpsons Ltd.:		
Pref.: Earned	$8.24	$8.93
Paid	7.50	6.00
Class A: Earned	1.64	2.28
None paid.		
Shares Outstanding:		
R. Simpson Co., pref. $100 par	2,299	2,402
Simpsons Ltd.:		
Pref., $100 par	112,500	112,500
Class A, n.p.v.	120,000	120,000
Class B, n.p.v.	120,000	120,000

Working Capital

	Jan. 8, 1941 $	Jan. 3, 1940 $
Current assets	17,737,122	15,946,269
Current liabilities	8,857,770	6,693,340
Working capital	8,879,352	9,252,929

Other Balance Sheet Changes

	Jan. 8, 1941 $	Jan. 3, 1940 $
Inventories	8,439,483	7,567,079
Accounts receivable	8,675,388	7,940,016
Advs. for goods	483,226	330,032
Prepaid charges	1,140,516	886,100
Fixed assets	27,316,635	25,941,470
Bank advances	1,235,837	868,226
Accounts payable	5,802,431	4,697,233
Accrued taxes	1,071,227	529,340
Funded debt	12,809,100	13,148,200

Cons. Oka Sand

Consolidated Oka Sand & Gravel Co.'s financial statement for 1940 shows a slightly higher net loss. The deficit account now stands at $481,123, compared with $459,017 at the end of 1939.

Frank M. Ross, president, states, "It is difficult to forecast the extent of business in 1941 for the building industry, but any improvement that may take place, we are reasonably hopeful of benefiting by it."

Income and Deficit Account
Years Ended Dec. 31

	1940 $	1939 $
Loss for year	25,197	31,342
Less: Sale of assets	1,000	......
Net loss	24,197	31,342
Previous loss	*456,925	427,675
Loss forward	481,123	459,017

*Adjusted.

Working Capital

	1940 $	1939 $
Current liabilities	401,167	370,573
Current assets	60,326	63,810
Excess of liabilities	340,841	306,763

Easy Washing Machine

Easy Washing Machine Co. reports net profits for 1940 equivalent to $3.95 a share on its preference stocks compared with $3.90 a share for 1939. Substantially higher gross profits were practically offset by heavier taxes and expenses.

Payment of 87½ cents a share in dividends on the preference left arrears at 70 cents a share.

Mortgage debt is to be retired on July 1 this year with payment of the last $5,000 installment. An addition was built to the plant last year, adding approximately 8,500 sq ft. and financed from earnings.

Total taxes and levies paid to the Dominion last year were $92,267. This included only one month of the new 25% special excise tax imposed on the company's industry. This 25% levy would have required $125,000 if in force for the full year.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Gross profit	177,300	145,807
Less: Sell., gen. exp.	133,945	116,918
Income tax	21,303	6,504
Add: Misc. income	3,251	2,704
Net profit	25,303	25,089
Less: Dividends	5,626	3,376
Surplus for year	19,677	21,713
Add: Prev. surplus	94,963	73,250
Surplus forward	114,640	94,963
Earned per Share:		
Preference	$3.95	$3.90
Paid	0.87	0.67
Common	0.68	0.67
Shares O/s.:		
Preference, $10 par	6,430	6,430
Common, n.p.v.	30,622	30,622

Working Capital

	1940 $	1939 $
Current assets	270,661	235,256
Current liabilities	96,617	58,328
Working capital	174,044	176,928

General Steel Wares

General Steel Wares financial statement for 1940 shows an increase in gross profit, but a decrease in net, after substantially increased provision for depreciation and taxes. Net was equal to 35 cents a share on the common stock, after providing for participating dividend on the preferred, as against 90 cents a share in 1939.

Net working capital increased during the year by $142,833 to $4,383,400. Outlay on capital account amounted to $112,883, bringing fixed assets up to $12.8 millions. Cash on hand was moderately lower, but accounts receivable increased from $1.3 millions to nearly $1.6 millions. Inventories advanced nearly $300,000 to $3.6 millions. Bonded debt of the company declined from $6,577,000 to $6,352,000, while subsidiary bonded debt was cut from $101,000 to $83,000.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Operating profit	1,584,205	1,424,868
Less: Bond interest	279,173	285,744
Spec. loan int.	nil	6,140
Depreciation*	492,641	300,000
Directors' fees	3,750	3,106
Off. sals., legal fees	73,623	66,170
Taxes	299,500	137,500
Net profit	435,518	626,208
Less: Pref. divd.	349,200	315,000
Surplus for year	86,318	311,208
Add: Prev. surplus	395,950	84,742
Surplus forward	†482,268	395,950
Earn. per share, pref.	$9.68	$13.91
Earn. per share, com.▪	0.35	0.90

*$50,000 was transferred in 1940 and 1939 from accumulated reserve for depreciation in order to reduce deferred expenditures in connection with reorganization of funded debt.

▪On 310,879 shares now outstanding.

†Of which $12,197 was subject to distribution as a participating cash dividend to preferred shareholders, when declared.

Working Capital

	1940 $	1939 $
Current assets	5,741,762	5,060,973
Current liabilities	1,358,362	820,376
Working capital	4,383,400	4,240,597

Your Investments

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1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

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2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Winnipeg Electric

As a subscriber I would like to obtain any information you have on the Series B bonds of Winnipeg Electric Co.

Gross earnings of Winnipeg Electric Co. in 1940 will probably show a small betterment over the preceding year. However, because of increase in operating expenditure, depreciation, bond interest and other charges, etc., net income is expected to be somewhat lower than in 1939. In the first 10 months of the year net income available for interest on the Series B bonds was down 15%.

In 1939 the company earned interest on the general mortgage B bonds 1.91 times, compared with 1.16 times in 1938. If these requirements are decreased to the extent expected interest will still be earned on the bonds by a modest margin. The company has been paying interest on the income bonds at required rates. The interest is payable annually out of available income as defined by trust deed up to 4% from 1935 to 1941 and to 5% from 1942 to 1946. From Jan. 2, 1947, the bonds will be placed on a fixed basis of 5% annually.

Can. Celanese

How will the 1940 earnings of Canadian Celanese Ltd. compare with the previous year?

Earnings of Canadian Celanese Ltd. in 1940 are not expected to be as favorable as in 1939, when net profit amounted to $1.9 million. This was equal to earnings on the 7% preferred stock of $18.77 a share, compared with $11.95 a share in 1938. A factor which will adversely influence earnings in 1940 is a much greater provision for taxation. Lower level of earnings is indicated by payments on the common stock during 1940 of $1.90 a share. This compares with $2.85 in 1938, 35 cents of which was applicable to 1938 earnings.

Acadia Sugar

I hold 6% general mortgage bonds of Acadia Sugar Refining Co. and would like any information relating to this security.

Acadia Sugar Refining Co. was incorporated Oct. 13, 1939, to take over the assets and undertakings of an organization of the same name, incorporated in Nova Scotia in 1926. Liabilities were assumed by the new organization, including $1.4 millions of 4½% first mortgage bonds. The 6% general mortgage bonds, totalling $2.3 millions, were offered to the public in Dec., 1939. These securities constitute sole public investment interest in the company. On the basis of past earnings average annual interest for four years and nine months ended Sept. 30, 1939, available for bond interest, amounted to $555,511 before allowing for depreciation. This is equivalent to 2.83 times the annual interest requirements on the two issues outstanding.

United Steel

Please outline the changes which have recently taken place in the capital of United Steel Corp. and its subsidiary.

On Jan. 1, 1941, all outstanding 6% bonds of United States Corp. were redeemed and on the following day the outstanding preferred stock of Standard Steel Construction Co., the subsidiary, was redeemed. Amalgamation of the two companies was approved by shareholders on Jan. 17, holders of Standard Steel common shares to receive share for share of United Steel Corp. As United Steel holds about 99% of the subsidiary stock, the change will result in practically no increase in the United Steel Corp. stock in the hands of the public.

Final step in the company's reorganization has been the offer of $900,000 in 5% 15-year first mortgage bonds. Purpose of the sale is to aid in the retirement of the old 6% bonds, to buy out minority interests in the Farand & Delorme, subsidiary of Standard Steel, to pay liabilities incurred in acquiring Standard and to provide working capital.

Alberta Bonds

By accepting interest on Alberta bonds at half the contractual rate offered, do I jeopardize possibility of settlement in full in some future arrangement?

Legal counsel of the Investment Dealers Association of Canada, the late E. G. Long, ruled in connection with the cashing of coupons on Alberta bonds on which arbitrary reduction of interest rates has been made as follows:

"In my opinion, the holder of a coupon payable to bearer cannot effectually retain any right to the balance of the face amount of the coupon if, on accepting a proportion of the face amount thereof he delivers up the coupon itself. He is under no compulsion to deliver up the coupon, and if he does so against payment of part only of its face value, he cannot retain any further benefit by doing so under protest, and a reserve of any rights he may claim or have."

Majority of institutional holders of Alberta bonds concur in this view.

C. P. R.

In view of much better earnings for C. P. R., what do you think the prospects are for a common dividend payment?

Net profit of Canadian Pacific Railway Co. in 1940 will be approximately double that for 1939, when it was $9.8 millions. Gross earnings rose about $20 millions over 1939. Higher operating and maintenance costs absorbed part of the gross gain. This is a condition that may be expected to continue for the duration of war. While increased movements of freight and passengers are expected to continue in the current year, these adverse factors are expected to hold down earnings available for shareholders. The company has indicated that it will follow a conservative policy of dividend disbursement and fortify its financial position against postwar depression. In view of these factors dividends on the common stock are not considered probable in the near future.

Cons. Paper

Will the net working capital position of Consolidated Paper Co. at April 1 permit payment of interest in cash on the 5½% debentures?

It is expected net working capital of Consolidated Paper Corp. at April 30 will comply with the requirements necessary to permit payment in cash on the company's bonds and debenture stock on July 2. The company has been making large expenditures on replacements and maintenance, but notwithstanding, it is expected higher earnings will bring net working capital position to more than $10 millions by April 30.

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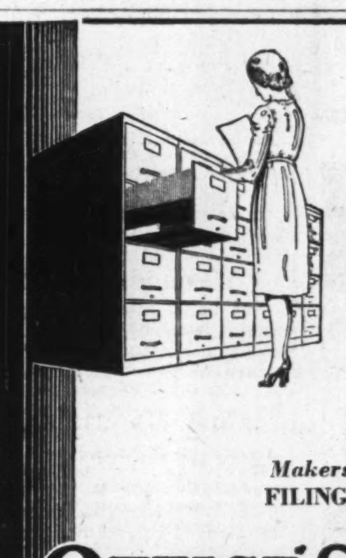

FUNGUS

Many an office just grows on its personnel—like fungus on a tree. The same old junky desks and uncomfortable chairs are resignedly occupied year after year. Ancient methods of "filing" are still tolerated. Valuable securities are kept "safe" in "strong boxes" that can be toted off under the arm. Delays through mislaid, poorly kept or misfiled records are accepted as inevitable.

Maybe your office is not just like this—but maybe you have a desk that is rather dismal, a chair that could be a little more comfortable, a file that is slightly overstuffed, a system that could be more efficient, a "safe" that isn't safe (if you only knew it).

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SEVENTIETH ANNUAL REPORT

OF

THE ONTARIO LOAN AND DEBENTURE COMPANY

Offices: Dundas Street at Market Lane, London, Canada

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31ST DECEMBER, 1940

Provision for Dominion Income Tax for 1940, payable April, 1941	$ 90,000.00	Balance brought forward from previous year	$ 109,626.11
Transferred to Benefit Fund for Employees	5,000.00	Net Earnings for the year ended 31st December, 1940, after payment of Provincial and Municipal Taxes, Interest on Deposits and Debentures, Expenses and Charges and meeting all known losses	305,263.17
Transferred to Investment Reserves	10,000.00		
Usual Dividends paid	200,000.00		
Balance carried forward to 1941	109,889.28		
	$ 414,889.28		$ 414,889.28

FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER, 1940

ASSETS

Cash on hand and in Banks		$ 564,848.76
Cash with and securities of other Loan Companies		59,042.56
Government and Municipal Debentures		3,555,672.91
		$ 4,179,564.23
Loans on Stocks and Bonds	$ 20,759.11	
Mortgages— Principal $11,785,121.64; Interest 81,550.02	11,866,671.66	
Real Estate held for Sale	519,274.65	
Agreements for Sale	144,868.55	
Office Premises	100,000.00	
		12,651,573.97
		$16,831,138.20

LIABILITIES

To the Public:		
Deposits		$ 3,470,706.63
Debentures		8,676,862.65
Reserve for Taxes		114,639.79
Other Liabilities		9,039.85
		$12,271,248.92
To the Shareholders:		
Capital	$2,000,000.00	
Reserve Fund	2,400,000.00	
Quarterly Dividend payable 2nd January, 1941	50,000.00	
Balance carried forward	109,889.28	
		4,559,889.28
		$16,831,138.20

As Sterling Debentures falling due during the year were paid the total outstanding in sterling decreased by $44,533.16. Substantial withdrawals by depositors to invest in the two Dominion Government War Loans of 1940 were not fully replaced by the end of the year, thus the total of Deposits decreased by $102,771.03. These two decreases were more than offset by an increase of $501,409.49 in Currency Debentures.

Real Estate prices continued low but there was a more active general demand for improved urban property than for many years past. The Real Estate Held for Sale account shows a reduction of $177,762.59 from the previous year's total. Payments on mortgages were very satisfactory, a large volume of new mortgage lending being necessary to maintain the total of mortgage investments which shows an increase of $156,701.57.

BOARD OF DIRECTORS:

ARCHIBALD McPHERSON, President — THOMAS H. MAIN, Vice-President
J. McCLARY GUNN — O. ROY MOORE — EDWARD E. REID — JAMES B. ORR

THOMAS H. MAIN
Manager

JOSEPH P. DEWAN
Assistant Manager

At the annual meeting of shareholders held at London, Ontario, on the 12th February, 1941, the Seventieth Annual Report as above was adopted. The Directors were re-elected and the Auditors reappointed. At a subsequent meeting of the Directors Mr. Archibald McPherson was re-elected President and Mr. T. H. Main Vice-President of the Company.

THE MONTREAL
CITY and DISTRICT SAVINGS BANK

1846 1940

Ninety-Fourth Annual Report

To the Shareholders. Montreal, February 10th, 1941.

Gentlemen,

Your Directors have pleasure in presenting the Ninety-Fourth Annual Report of the affairs of the Bank and the result of its operations for the year ending December 31st, 1940.

The net profits for the year were $391,852.13 and the balance brought forward from last year's Profits Account was $251,610.10, making a total of $643,462.23. In addition to the usual quarterly distributions to its shareholders, the Bank contributed from this amount $12,000.00 to various charitable and philanthropic Funds — independently of the amount of $10,150.00, interest on the Charity Donation Fund, distributed as usual — leaving a balance at the credit of undivided Profits Account of $351,462.23 to be carried forward to next year.

As usual a frequent and thorough inspection of the books and assets of the Bank has been made during the year.

The Report of the Auditors and the Balance Sheet are herewith submitted.

R. DANDURAND, President.

GENERAL STATEMENT
DECEMBER 31st, 1940.

LIABILITIES

To the Public:		
Deposits bearing interest including interest accrued to date	$61,950,415.80	
Deposits not bearing interest	1,335,136.55	
Charity Donation Fund	180,000.00	
Other Liabilities	1,158,737.63	
		$64,624,289.98
To the Shareholders:		
Capital Stock (Amount subscribed $2,000,000.00), paid up	$2,000,000.00	
Reserve Fund	3,000,000.00	
Balance of Profits carried forward	351,462.23	
		5,351,462.23
		$69,975,752.21

RESOURCES

Cash on hand and in Chartered Banks	$ 7,792,714.32	
Dominion and Provincial Governments Bonds	36,157,466.91	
Canadian Municipal Bonds and Debentures	16,072,132.42	
Bonds of Canadian School Municipalities	184,766.19	
Bonds of Canadian Public Utilities Corporations	5,101,683.00	
Sundry Securities	200,000.00	
Call and Short Loans, secured by collateral	3,280,180.49	
Charity Donation Fund, invested in Dominion and Canadian Municipal Securities approved by the Dominion Government	180,000.00	
		$68,968,943.33
Bank premises (Head Office and Branches)	1,000,000.00	
Other Assets	6,808.88	
		1,006,808.88
		$69,975,752.21

On behalf of the Board,

R. DANDURAND, President

T. TAGGART SMYTH, General Manager

COTTON FABRICS AND YARNS

DOMINION TEXTILE
COMPANY, LIMITED
THE TEXTILE BUILDING, VICTORIA SQUARE, MONTREAL

CHARTERED TRUST AND EXECUTOR COMPANY

PROFIT AND LOSS ACCOUNT
For the Year Ended December 31, 1940

Balance forward from previous year	$ 212,539.41	
Net profit for year after deducting cost of Management, Directors' and Auditors' fees, and all other expenses, including Municipal taxes	101,302.78	
		$ 313,842.19
Appropriated as Follows:		
Provision for Dominion and Provincial taxes	$ 27,276.02	
Written off Office Premises, Furniture and Equipment	7,234.55	
Contributions to Staff Pension Fund	12,367.93	
Dividends	40,000.00	
		86,878.50
Carried forward		$ 226,963.69

BALANCE SHEET, DECEMBER 31, 1940

ASSETS

Capital Account:		
Office Premises and Safety Deposit Vaults	$ 301,929.12	
Real Estate Held for Sale	78,737.47	
Mortgages—Principal	232,232.33	
Interest due and accrued	2,960.88	
Loans on Collateral Securities	153,818.01	
Bonds, Debentures and Accrued Interest	394,627.23	
Stocks	91,178.39	
Cash on Hand and in Banks	45,797.09	
Advances to Trusts, Estates and Agencies	50,309.71	
Accounts Receivable	29,944.27	
Office Furniture and Equipment	4,739.40	
Other Assets	3,919.20	
		$ 1,390,193.10
Guaranteed Trust Account:		
Mortgages—Principal	$ 551,496.75	
Interest due and accrued	6,666.27	
Bonds, Debentures and Accrued Interest	2,643,058.90	
Loans on Collateral Securities	625,529.91	
Cash on Hand and in Banks	247,774.37	
		$ 4,074,526.20
Total Capital and Guaranteed Assets		$ 5,464,719.30

LIABILITIES

Capital Account:		
Capital Subscribed and Fully Paid	$1,000,000.00	
Rest	100,000.00	
Dividend No. 88 payable Jan. 2, 1941	10,000.00	
Accounts Payable and Accrued Items	14,017.81	
Fees, Rents and other items paid in advance	11,748.29	
Reserve for Dominion and Provincial Taxes	27,463.31	
Balance at credit of Profit and Loss	226,963.69	
		$ 1,390,193.10
Guaranteed Trust Account:		
Trust Deposits	$3,355,057.52	
Funds held under Guaranteed Investment Certificates	719,468.68	
		$ 4,074,526.20
Total Capital and Guaranteed Liabilities		$ 5,464,719.30

ESTATES, TRUSTS AND AGENCIES

Cash, Securities and other Properties held for Estates, Trusts and Agencies	$20,292,145.33

Approved on behalf of the Board.
R. R. CORSON, President.
JOHN J. GIBSON, Vice-President and General Manager.

Trust and Loan Company Reports

Mortgage Corp. of N. S.

An increase of nearly $36,000 in mortgages and sale agreements held by the Mortgage Corporation of Nova Scotia was shown in 1940. Other assets and liabilities of the corporation declined during the year. Although operating earnings were only some $1,500 below the previous year, a jump of some $7,500 in income taxes payable to $19,175 in 1940, left net profits approximately $8,000 lower than in 1939. The initial dividend for 1941 has been paid at the rate of 5% instead of the 6% rate which applied in 1940.

A. H. Whitman, president, advises shareholders contemplating the sale of their stock to bear in mind that the stock has a book value of $150 per share and even in the event of the company deciding to divide the capital rather than continue under present taxation, the shareholders should realize from $120 to $125 per share for their stock.

During the year Halifax business was increased, and has more than doubled in the past ten years. The company has continued the policy of withdrawing from fields where conditions have proved unsatisfactory.

Earnings Record

Year	Paid-up capital & reserves	Net* profit	Div. rate	†Rate earned per sh.
	$	$	$	$
1936	1,020,000	55,579	7	8.17
1937	1,020,000	52,025	7	7.65
1938	1,020,000	50,129	6¾	7.37
1939	1,020,000	46,551	6	6.85
1940	1,020,000	38,264	6	5.60

*After management expenses, taxes and interest, and in 1937 and subsequent years, after depreciation of office building, but before provision for possible losses on real estate.

†Based on paid-up capital of $600,000, plus amount paid on $400,000 of 20% paid-up capital, or a total of $680,000.

Liabilities to Public
As at Dec. 31

	1940	1939
	$	$
Debentures & int.	406,807	422,356
Deposits	44,381	51,815
	451,188	474,171
Secured by:		
Liquid assets	26,945	60,424
Mtges., agmts. & int.	1,423,145	1,387,357
Other net assets‡	23,098	44,313
	1,473,188	1,492,094

‡Other assets, excluding $320,000 of uncalled subscribed capital stock, less current liabilities.

Yarmouth Building

Net profit after all charges, including taxes, of Yarmouth Building & Loan Society, Yarmouth, N.S., were $11,974 for the year ended Dec. 31, 1940. This compares with $14,205 in 1939, the decrease being accounted for largely by a $2,500 rise in reserve for taxes.

Earnings on paid-up capital amounted to 6.4% in 1940 and 7.5% in the previous year. Dividends at the rate of 6% were disbursed in both periods.

Earnings Record

Year	Paid-up Capital	Net Profit*	Div. Rate	†Rate earned per sh.
	$	$	%	%
1936	190,918	12,636	6	6.6
1937	190,287	14,065	6	7.4
1938	190,119	13,449	6	7.1
1939	189,113	14,205	6	7.5
1940	185,820	11,974	6	6.4

*After deducting all management expenses and taxes.

†Based on paid-up capital at end of year.

	Total Assets	Reserve Fund	Mortgages (net)*
	$	$	$
1936	412,597	58,000	241,265
1937	413,168	60,000	266,080
1938	423,955	62,000	270,192
1939	289,671	65,000	277,905
1940	287,495	65,000	263,465

*After deducting repayments.

Guelph Trust

Earnings of Guelph Trust Co. for the year ended Dec. 31, 1940, were slightly higher than in 1939, before transfer of $7,000 to reserve for taxes. After deducting this amount, earnings per share were $4.34 compared with $5.48 in 1939, out of which dividends of $2.50 per share were paid in each year.

A rise of approximately $350,000 was shown in estates under management in 1940, while liabilities in guaranteed trust account showed a drop of some $3,000.

Annual meeting will be held at the company's offices in Guelph, Ont., Feb. 26, 1941.

Earnings Record

Year	Paid-up capital & reserves	Net† profit	Div. rate	Rate earned per sh.*
	$	$	$	$
1936	451,850	30,926	2.50	5.13
1937	451,850	33,096	2.50	5.50
1938	451,850	32,553	2.50	5.40
1939	453,500	33,128	2.50	5.48
1940	453,500	26,249	2.50	4.34

†After all charges, including taxes.
*Par value of stock $50.

Liabilities to Public
As at Dec. 31

	1940	1939
	$	$
Trust funds	529,107	532,202
Secured by:		
Liquid assets	68,082	79,089
Mortgages & int.	461,025	453,113
Other net assets	525,206	528,806
	1,054,313	1,061,008
Estates, etc.	4,615,315	4,266,883

Royal Trust

Royal Trust Co. reports net profit of $359,087 in the year ended Dec. 31, 1940, compared with $454,502 in 1939. This was equal to earnings on the common stock, of $20 par value, of $3.59 and $4.55, respectively.

R. P. Jellett, vice-president and general manager, stated in the annual report that most departments of the company's business suffered from the effects of war conditions on finance in 1940. In explaining the reduction in earnings, Mr. Jellett said:

"While the volume of business handled last year was greater than usual, the work was more complicated because of the many regulations that now have to be complied with, without adequate compensating fees."

Mr. Jellett stated that while the high-grade bond market, in which the company was principally concerned, had held a price level fairly well throughout the year, high-grade stocks had fallen about 15% during this period. The heavy burden of company taxation renders estimates of future company earnings and stock values difficult, according to the general manager.

Earnings Record

Year	Paid-up Capital & reserves	Net profit*	Div rate	Rate† earned per sh.
	$	$	$	$
1936	6,000,000	500,116	‡3.20	5.00
1937	6,000,000	514,122	‡3.20	5.14
1938	6,000,000	444,190	‡3.20	4.44
1939	6,000,000	454,503	‡3.20	4.55
1940	6,000,000	359,086	‡3.20	3.59

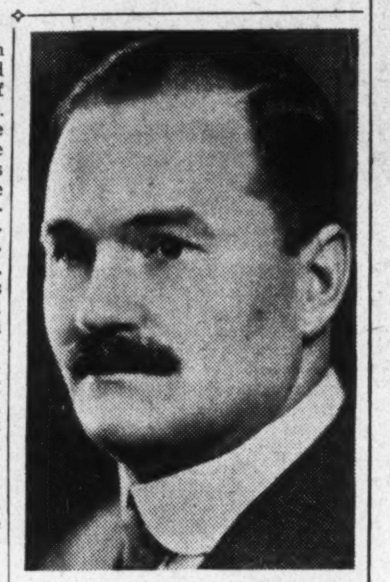
*After deducting management and all other expenses and providing for all contingencies.

‡Plus bonus of 40 cents a share paid Jan. 30, 1937; 80 cents on Jan. 31, 1938, 1939, 1940 and 1941.

†$20 par shares.

Creditors' Position

	1940	1939
	$	$
Guarant'd acct., etc.	3,709,815	4,008,276
Secured by:		
Liquid assets	3,709,815	3,566,800
Mortgages & int.	....	441,476
Net cap. assets	6,966,210	7,007,123
	10,676,025	11,015,399
Estates, etc.	733,760,581	764,805,082



TRUST DIRECTOR

Hon. Charles A. Dunning, president of Ogilvie Flour Mills Co., and a director of a number of other companies, who has been elected to the board of directors of Royal Trust Co.

Soo Line Plan In Final Stages

From Our Own Correspondent

MONTREAL—Officials of Canadian Pacific Railway and institutional holders of Minneapolis, St. Paul and Sault Ste. Marie Railway have reached an agreement on plan of reorganization for the road.

It is expected this plan will be filed with the Federal Court of Jurisdiction by April 1, the extent of time within which the court directed that a plan be filed.

Guarantee Co. of N.A.

Guarantee Co. of North America reports total income of $771,715 in 1940, against $747,734 in 1939. Net revenue from investments amounted to $192,670, an increase of $23,344.

Henry E. Rawlings, president, told shareholders at the annual meeting that net premiums written during the year were $427,410, about $16,000 higher than in the preceding year. Net losses totalled $55,142, approximately $13,700 less than in 1939. Outstanding liabilities for losses pending and in process of adjustment, taxes, unearned premium reserve, etc., totalled $723,511, an increase of $97,655.

Assets shown in the balance sheet at Dec. 31, 1940, totalled $4.7 millions, compared with $4.6 millions at the end of 1939. Bonds and stocks were valued at $4.1 millions. These were cost values and compare with Dominion Department of Insurance valuations of more than $4.7 millions.

Guelph & Ontario

Annual statement of the Guelph and Ontario Investment and Savings Society for the year 1940 shows a decline of some $5,000 in guaranteed liabilities and assets. Earnings for the year, after adding $9,000 to the reserve for government taxes amounted to $78,051 compared with $80,611 in 1939.

Increasing liquidity is shown in the assets of the company, liquid assets rising approximately $42,000, while mortgages dropped some $52,000. Annual meeting will be held Feb. 26, 1941, at the society's office in Guelph, Ont.

Earnings Record

Year	Paid-up capital & reserves	Net† profit*	Div. rate	Rate† earned per sh.
	$	$	$	$
1936	1,484,515	73,102	3	3.78
1937	1,484,515	77,216	3	4.00
1938	1,484,635	78,456	3	4.06
1939	1,484,635	80,611	3	4.18
1940	1,484,635	78,051	3	4.04

†Par value of stock $50.
*After all charges, including taxes.

Liabilities to Public
As at Dec. 31

	1940	1939
	$	$
Debentures	2,451,702	2,474,457
Deposits	1,241,475	1,223,828
	3,693,177	3,698,285
Secured by:		
Liquid assets	873,773	831,426
Mortgages & int.	3,869,773	3,921,372
Other net assets	465,028	460,744
	5,208,574	5,213,542

Grey & Bruce Trust

Mortgage interest and principal payments in 1940 were the best in the history of the Grey & Bruce Trust & Savings Co., Owen Sound, Ont., according to C. A. Fleming, president of the company. While new loans have been scarce, the company believes it a duty to maintain a strong cash position to aid in war financing. In 1940 the company purchased over $400,000 of war loan bonds for its own and clients' accounts.

Gains of over $90,000 in guaranteed trust account and $353,000 in estates and trusts under management were shown during 1940. In guaranteed trust account the gain was confined to guaranteed investment certificates, a decline having been shown in deposits.

Annual meeting will be held Feb. 24, 1941, at the company's office in Owen Sound.

Earnings Record

Year	Paid-up capital & reserves†	Net profit*	Div. rate	Rate earned per sh.
	$	$	%	%
1936	619,700	41,608	4	7.64
1937	619,700	48,237	4	8.86
1938	619,700	49,150	4	9.02
1939	619,700	46,084	4+1	8.46
1940	619,700	45,024	4+1	8.27

*After interest, management, etc., depreciation on buildings and taxes.
†General reserves only.

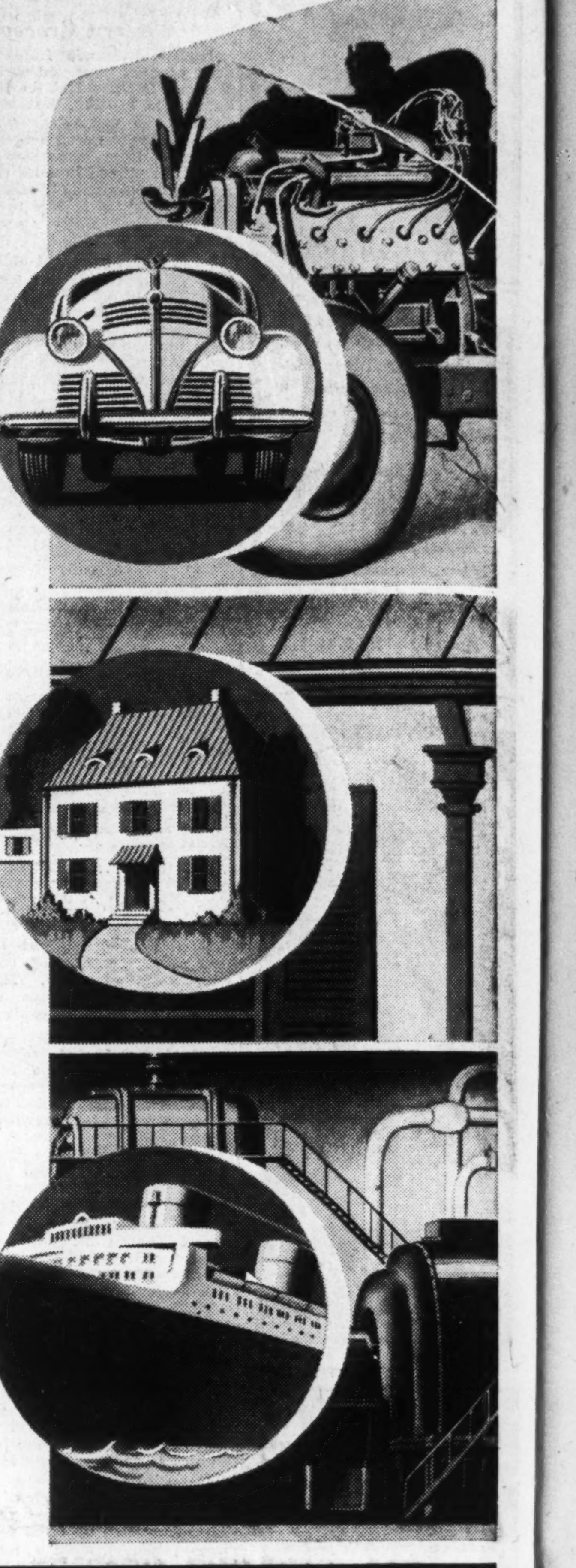
Liabilities to Public
As at Dec. 31

	1940	1939
	$	$
Investment certifs.	1,890,684	1,660,080
Deposits	1,213,090	1,352,352
	3,103,774	3,012,432
Secured by:		
Liquid assets	2,103,245	1,959,531
Mortgages & int.	1,000,528	1,052,901
Other net assets*	619,700	619,700
	3,723,473	3,632,132
Estates & trusts	1,685,028	1,331,319

*Liquid and fixed assets in capital account, less current liabilities and all reserves except general reserves.

COPPER TELLS A TALE OF MANY THINGS

Ancient Symbol for "Copper"



It is through electricity, of course, that copper renders its principal contribution to better living; but the red metal serves us in thousands of other useful ways.

Of especial significance is the fact that today more copper is being used "per dollar" of new building construction than ever before. And the replacement of less durable materials in existing structures provides a continuing outlet for much additional copper.

In their rolling stock, our railroads employ many thousand tons of copper—in electrical uses, signal systems, bearings, water piping, heating lines, air conditioning and air brake systems. In the automobile industry, radiators, bushings, chromium plated and other parts, together with electrical uses, constitute annually one of the largest markets for copper and copper alloys.

Non-electrical uses in refrigerators and shipbuilding, in bank vaults, even in such small things as pins, each consume substantial quantities of copper every year.

Ready to demonstrate the protection, endurance and economy of the use of copper and its many alloys is Anaconda American Brass Limited. In its plant at New Toronto, employing more than 1,300 Canadian workers, Anaconda manufactures copper and its many useful alloys in all forms used by the building as well as manufacturing industries.

COPPER—*A Basic Industry*

Copper is one of those basic industries through whose development Canada has prospered greatly. Essential though copper is today to every activity of modern man, much is yet to come . . . through continued research and constantly improving methods of fabrication.

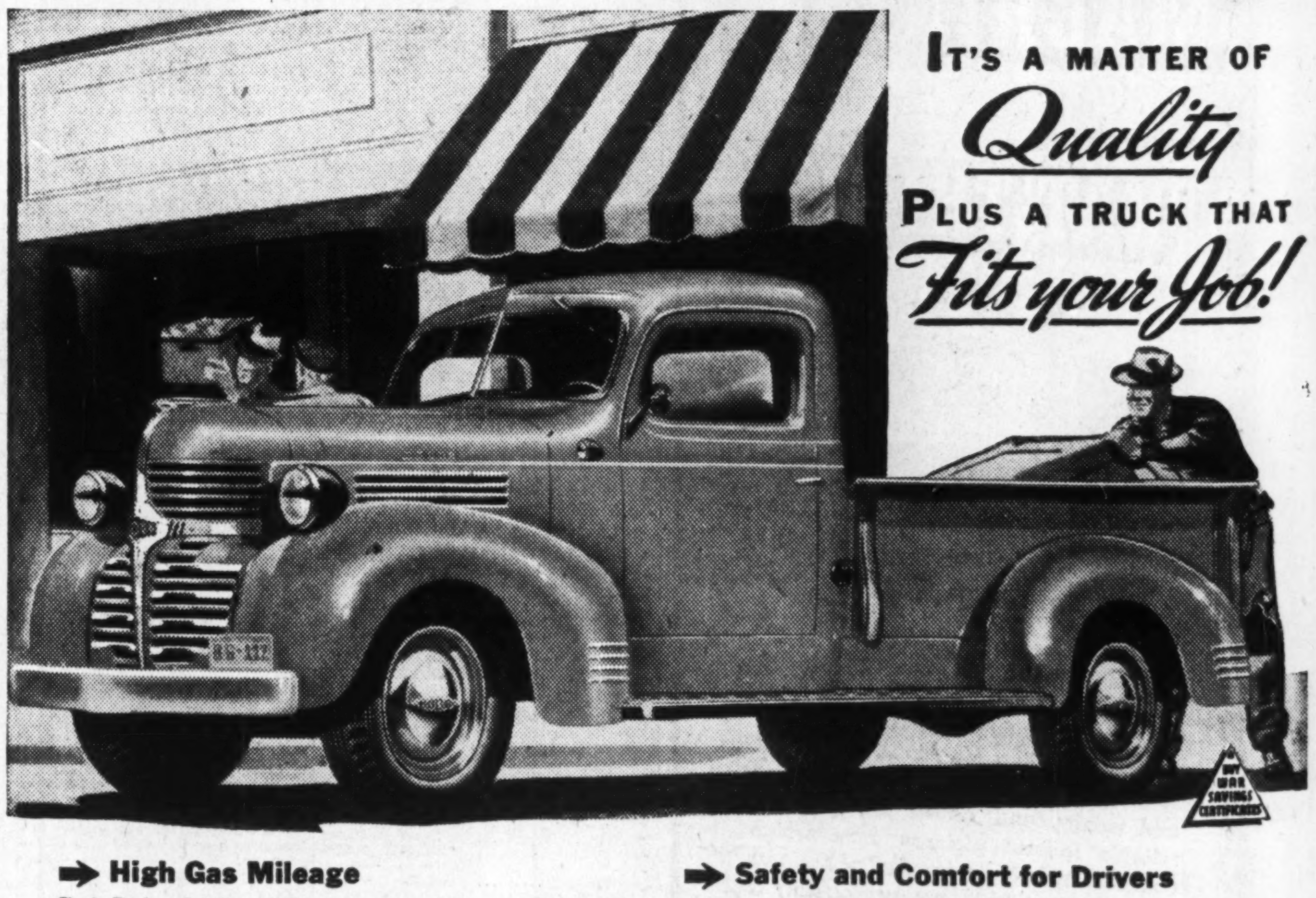
ANACONDA Copper and Brass

ANACONDA AMERICAN BRASS LIMITED
(Made-in-Canada Products)

Main Office and Mill: New Toronto, Ont.
Montreal Office: 939 Dominion Square Bldg.

C-4128

DODGE *Job-Rated* TRUCKS
ARE ECONOMICAL TO OPERATE AND MAINTAIN



High Gas Mileage

Each Dodge Job-Rated Truck has the right one of six truck engines for correct power *with economy.* High compression design saves on gas. By-pass thermostat reduces choking; saves fuel. Valve seat inserts and 4-ring pistons maintain compression.

Top Oil Economy

Full-length water jackets keep *whole* cylinder wall cool—reduce oil burning. Crankcase ventilation prevents oil dilution. Two oil control rings, plus two compression rings per piston, prevent oil waste. Oil bath air cleaner for longer oil life.

Low Engine Upkeep

Precision-type engine bearings give longer life and low replacement cost. Superfinish on crankshaft greatly reduces wear. Water distributing tube maintains even operating temperature. Exhaust valve seat inserts reduce valve grinding.

Safety and Comfort for Drivers

Cab construction is "steel reinforced with steel". Doors are rigidly mounted to prevent squeaks and rattles. Wide windshield gives driver extra good visibility. New, wide, comfortable seats have long lasting cushion materials and construction.

"Job-Rated" Means Dollars Saved

Each Dodge Truck is built throughout with the right sized units for handling the truck's load—the right sized engine, frame, transmission, clutch, rear axle, springs and brakes—for long life and low operating costs.

See Your Dodge Dealer

Your Dodge Dealer can give you the complete story of the Dodge line of Job-Rated Trucks. There are nine standard models and three cab-over-engine models with wheelbases ranging from 116 inches to 220 inches. One of these Dodge Job-Rated Trucks fits *your* job.

DODGE *Job-Rated* TRUCKS COVER 98% OF ALL HAULING NEEDS!

Dominion Appraisal Company Limited

The Authority on Physical Values in Canada from Coast to Coast.

Equipped to carry out work of any magnitude within a reasonable space of time.

Head Office
137 Wellington St. West
TORONTO Elgin 5928

FIDELITY
Insurance Company of Canada
TORONTO

Life Insurance

Death Rate of Britons Less Than Expected

Canadian Insurance Companies Find Mortality in British Isles Below That Experienced in United States, Despite German Bombings

Despite the heavy bombings to which the British people have been subjected for many months, life insurance losses have been relatively light.

At the annual meeting of the Canada Life Assurance Co., S. C. McEvenue, general manager, stated that as far as his company's experience was concerned, the ratio of actual to expected mortality in the British Isles for 16 months of war had been considerably less than the corresponding ratio in the United States during the same 16 months while they were at peace.

At the annual meeting of the Sun Life, Arthur B. Wood, president and managing director, stated that in both Canada and Great Britain the mortality experience of the company, "including all claims resulting from the war, was actually more favorable than the experience in the United States where there were no war claims."

The war claims sustained in both cases included civilians who lost their lives in air raids and on ships sunk by the enemy as well as individuals in the armed forces.

General Experience

It is understood that the experience indicated by these two companies has been fairly general among Canadian institutions.

In seeking a reason for the relatively light mortality experienced it is claimed that the casualties due to German bombings generally have been less than had been expected.

Information received by cable in life insurance circles generally indicates that the air raid fatalities in England and Scotland have actually decreased since October in spite of disastrous bombings of Coventry, Bristol, Manchester and other cities.

The general indication that the mortality experience in the British Isles has been more favorable than in the United States, is taken as evidence that automobiles and other causes of accidents in the United States are more to be dreaded as causes of death than Nazi bombers or machine guns in England.

Insurance executives state that the low claims ratio so far experienced is no guarantee that this will continue. If an invasion of England is attempted the British casualties would probably be very high while if ever the British made a landing in Europe the same result would be experienced.

In the last war, it has been pointed out, casualties in 1915 were much heavier than expected and on this occasion it is possible 1941 may see the war develop on a scale comparable to that of 1915 in the last.

Situation Might Change

So far it is evident the extra war premiums have not been necessary. But a change in the nature of the war would rapidly alter the situation. It is stated by executives, however, that few of the policyholders who might be killed have paid extra premium, so the companies would be reimbursed but little from that source.

It is believed that about 95% of the insurance in force has no war clause in the policies and no provision for extra premiums or reduced indemnity.

Obituaries

George N. Smith, of Smith Bros., bookbinding and stationery manufacturers, Toronto, aged 52, at Toronto.

Robert A. S. Allan, founder of Robert Allan & Co., commission merchants, Montreal, aged 79, at Montreal.

DAMAGE TO HOUSE....
$2000.00—*Insured*
DAMAGE TO CONTENTS ...
$1275.00—*Not Insured*

They were buying their own home. *"No need to worry,"* they thought, *"We're well covered by Insurance"*. But when fire unexpectedly struck, it was the contents which suffered heaviest. This is often the case, for some people either do not insure at all, or seriously *underinsure* their furniture, clothing, prized possessions, etc. Consult your British Northwestern agent—he will show how *economically* you can be *fully* protected.

British Northwestern
FIRE INSURANCE COMPANY
HEAD OFFICE FOR CANADA: 217 BAY ST., TORONTO
J. H. Riddel, *Managing Director* V. G. Creber, *Asst. Manager*
A. C. Ruby, *Br. Mgr.*, WINNIPEG M. Nevill, *Br. Mgr.*, VANCOUVER

Every Month a Milestone

A special message to the owners of 675,000 London Life policies

JANUARY'S contribution to the Company's uninterrupted growth was a gain of $4,284,000 (net) Insurance in Force.

The amount of Life Insurance in Force in this Company is now over

$700,000,000

The London Life is proud of its rapid growth only as it is the measure of its service to those who need the financial protection which life insurance affords.

Gratifying to policyholders must be the sound financial position of the Company since the growth in financial strength has been proportionately greater than the growth in insurance.

London Life
ESTABLISHED 1874
Insurance Company
Head Office - London, Canada

DIRECTS WAR LOAN

G. W. Spinney, joint general manager of the Bank of Montreal, who has been named by the Minister of Finance as Chairman of the Executive of the National War Loan Committee to organize the next war loan.

Casualty Insurance

Car Insurance Rates Revised

A number of changes in automobile insurance premium rates in Ontario and Quebec have been announced. These changes, with the exception of automobile fire insurance in some sections of Ontario, are increases and they appear to be more extensive in Quebec than in Ontario.

According to statistics gathered by the Canadian Underwriters' Association, automobile accidents in Quebec are between two and three times higher than the average for all Canada.

The changes in Quebec as announced by the Canadian Underwriters' Association involve a 10% advance in all coverages of collision insurance in Montreal and Quebec metropolitan areas.

In the balance of the province the increases range from 10% to 20% on personal injury and property damage, collision and fire. Apart from private passenger cars, there is to be a 10% increase on insurance for commercial vehicles governing personal injury and property damages. The increases are scheduled to go into effect March 1.

Quebec Changes

Following are the rate changes announced by the Association in Quebec:

Territory A, Montreal City and Island, Ile Jesus, Ile Perrot, Ile Bizard, Laprairie, St. Lambert, Montreal South and Longueuil, Quebec City and Levis: **Personal injury and property damage, no change; collision, all coverages, 10% increase.**

Territory B, balance of province: **Personal injury and property damage, 10% increase; collision, all coverages, 20% increase; fire, 15% increase.**

Whole province: **"Drive other autos" premium reduced from extra 10% to flat $1 for personal injury and 50 cents for property damage for standard limits of $5,000 and $10,000 for personal injury and $1,000 property damage.**

Commercial Vehicles

Territory A: **Personal injury and property damage, 10% increase.**

Territory B: **Personal injury, no change; property damage, 10% increase.**

Canadian Underwriters Association in announcing the increases, says its statistics show that in 1939-40 personal injury accident claims in Quebec involved 43 cars per 1,000 insured, against 17 per 1,000 throughout the Dominion, including Quebec. Property damage accident claims involved 281 cars per 1,000 insured in Quebec, against 127 per 1,000 throughout the country.

In Ontario

The changes in Ontario, apart from the reduction in the fire premium rate, call for fairly substantial increases in collision premiums on passenger cars in two territories while the public liability rate in one territory is increased on commercial vehicles. Taken over the province as a whole the increase is estimated to be 7/10 of 1%. Changes are stated to be based on accident experience.

Following are the changes in Ontario. The territories into which the province is divided for rating purposes, it will be noted, are not geographical divisions but are based on various factors such as the number of cars registered, accident frequency, etc.

Passenger Vehicles

Territory A—(Toronto, Hamilton and Windsor) and Territory B, including Ottawa, Niagara Falls, and most of the medium-sized cities in the province such as Brantford, Guelph, Oshawa, St. Catharines, etc.: **Fire Insurance rates reduced 20%.**

Territory C, including northeastern Ontario exclusive of Ottawa and all territory north of the C.P.R. from Mattawa to Sault Ste. Marie: **Collision rates increased 25%.**

Territory D, including northwestern Ontario and smaller cities and towns in other sections of the province: **No change.**

Territory E, including most farming communities and smaller towns and villages in the province: **Collision rates up 15%.**

Commercial Vehicles

Territory B: **Public liability up 15% to 20%.**

Banking

Larger Investments Boost Revenues

Bank of Canada Profits By Replacing Gold Reserves With Government Securities—Canadians' 1940 Income 14% Larger

A substantial increase in note circulation, net profits more than doubled and replacement of its gold reserves by holdings of Dominion Government securities and sterling and United States exchange, are features of the annual report of the Bank of Canada for 1940.

The rise of $127.1 millions in note circulation is attributed by Graham F. Towers, Governor of the Bank, partly to the expansion in business and partly to the desire of some people in May, June and July to hold more cash, because they were nervous over the war news. Since July this tendency has been reversed, he said, but with the demands of business for more money increasing, it is difficult to estimate the extent of the reversal.

The expansion in circulation due to more active business continued throughout the year. Mr. Towers estimates that the amount of income paid to Canadians in 1940 was about $550 millions or 14% greater than in 1939. Much of this was accounted for by increased army and industrial payrolls where the money distributed is paid largely in cash, requiring a larger volume of bank notes.

Chartered Bank Reserves

To prevent the increase in note circulation during the year reducing the cash reserves of the chartered banks, the Bank of Canada purchased securities. The money paid out in this way came back to the chartered banks and enabled them to maintain their cash reserves in the form of Bank of Canada notes in their tills or deposits with the Bank of Canada. Mr. Towers points out that while the Bank of Canada note issue increased $127.1 millions, chartered bank holdings rose by $27.7 millions. Accordingly the active note circulation increased $99.4 millions. This was offset by a decline in the public's holdings of chartered bank notes by $4.8 millions making a total increase in active note circulation of $94.6 millions.

The change in the reserves of the Bank of Canada, Mr. Towers stated, was accomplished by the Bank selling to the Foreign Exchange Control Board its holdings of gold, valued at $225.7 millions. The bank at the same time sold to the board foreign exchange with a dollar value of $27.7 millions. In payment for most of these transfers it received $250 millions of Dominion Government 1% notes dated May 1, 1940, and maturing May 1, 1941.

This transaction increased the investment account of the Bank of Canada accordingly. It also replaced non-earning by earning assets.

It did not, Mr. Towers states, affect the value of the Canadian dollar. He notes that the internal value of the dollar, that is its purchasing power within the country, depends on the volume of money in the country, its rate of turnover and the level of production, rather than on the way the money is backed.

So far as the external value of the Canadian dollar is concerned it seemed appropriate, he said, that under war conditions all liquid foreign reserves should be concentrated in the hands of the organization specially charged with the administration of Canada's foreign exchange policy, in other words the Foreign Exchange Control Board. By this he evidently meant the external value of the dollar was a matter of control.

The bank's holdings of foreign exchange since the transaction with the Foreign Exchange Control Board, he explained, had consisted almost entirely of sterling held for the account of the Dominion Government or the Foreign Exchange Control Board in connection with the Government's programme for the repatriation of Canadian securities from the United Kingdom.

Larger Revenues

The increase in the bank's investments, mainly owing to the conversion of its gold and foreign exchange holdings into Dominion Government notes, obviously meant a big increase in revenues. Gold and foreign exchange held by the bank formerly brought in no revenue. But $250 millions of securities bearing interest at 1% made a big difference. Accordingly net profits amounted to over $4 millions compared with $1.8 million in 1939.

The dividend on the capital stock wholly owned by the Dominion Government took $225,000 leaving $3.8 millions. Of this one third was added to the rest fund and the balance paid over to the Dominion Government.

	1940 $	1939 $
Gold coin and bullion	....	225,677,320
Sterl. & U.S. dols.	38,429,278	64,324,764
Subs. coin	598,311	90,272
Govt. sec.	575,763,161	231,772,557
Note circ.	359,949,121	232,779,327
Net profits	4,044,460	1,863,725
Div. to fin. dept.	225,000	225,000
To rest fund	1,273,153	546,241
To Dom. Govt.	2,546,306	....
Ch. bank res.	316,000,000	288,000,000

Foreign Exchange Holdings Lower

A decline of almost $9 millions in reserves of sterling and United States exchange is shown in the report of the Bank of Canada for the week ended Feb. 12. Miscellaneous assets, including cheques, were down about $2 millions.

The decline in foreign exchange holdings was probably due to exchange being turned over to the chartered banks for war payments.

The decline in assets was offset on the liability side by a drop of $12 millions in total deposits and other liabilities. The decline in total deposits was due to a drop of $26 millions in chartered bank deposits which more than cancelled a rise of $16 millions in deposits of the Dominion Government.

	Feb. 12 1941 $	Feb. 5 1941 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	346,052,278	345,255,698
Rest fund	3,722,910	2,449,757
Depos.: Dominion	43,833,700	27,617,572
Bank	203,365,817	229,535,563
Other 6	7,139,777	5,601,173
Total deposits	254,339,294	262,754,308
All other liabs.	3,095,826	7,825,076
Total liabs.	612,210,308	623,284,838
Assets		
Reserve:		
In sterl. & U. S.	36,436,930	45,146,440
Subsidiary coin	856,739	857,508
Investments:		
Dom. gov. short	437,302,604	437,284,258
Other Dom. gov.	129,333,073	129,401,040
Total invest.	566,635,677	566,685,298
Premises	1,703,028	1,702,869
All other assets	6,577,934	8,892,724
	612,210,308	623,284,839

Weekly Bank Clearings

	Feb. 13 1941 $	Change yr. ago %	Feb. 6 1941 $
Halifax	2,845,907	+14.8	3,070,702
Saint John	1,772,236	+6.4	2,539,211
Moncton	757,791	+15.2	843,327
Sherbrooke	598,794	—18.2	785,988
Quebec	4,066,391	—8.3	5,719,429
Montreal	78,553,772	—0.4	103,572,541
Ottawa	37,155,354	+136.6	69,370,223
Kingston	523,460	+17.7	745,028
Peterborough	475,132	—1.3	677,345
Toronto	82,109,415	—6.3	137,493,969
Hamilton	4,685,921	+0.5	8,459,339
Kitchener	875,290	—2.3	1,186,791
Brantford	808,448	+11.0	1,026,814
London	2,410,868	—0.1	2,813,421
Chatham	567,751	+12.9	692,883
Windsor	3,004,712	+30.2	3,198,068
Sarnia	385,551	+33.5	460,733
Sudbury	1,040,245	—7.7	952,968
Fort William	668,287	+5.4	980,423
Winnipeg	28,974,523	—1.4	34,659,695
Brandon	249,776	+20.5	368,234
Regina	3,321,045	+34.8	3,850,518
Moose Jaw	533,183	+16.6	578,321
Saskatoon	1,199,718	+18.3	1,516,626
Prince Albert	339,368	+33.0	433,657
Edmonton	3,956,983	+11.9	4,584,446
Calgary	5,340,125	+11.2	7,350,748
Lethbridge	499,166	+23.5	560,765
Medicine Hat	229,203	+44.4	255,255
N. W'minster	678,597	+4.0	666,815
Vancouver	14,285,387	+2.4	19,754,027
Victoria	1,576,594	—0.7	1,968,098

Insurance Company Reports

Canadian Indemnity

An increase of 6.2% in net premium income, a slightly higher loss ratio, a lower expense ratio and an increase in total assets are features of the report of the Canadian Indemnity Co. for 1940.

Total assets at $2.1 millions were up over $100,000 from the previous year, the gain being mainly in holdings of bonds and debentures. Holdings of mortgages were lower.

The usual dividend of 6% to shareholders was declared and paid, plus a bonus of 2%, making a total distribution for the year of 8% compared with 6% in 1939.

	1940 $	1939 $
Net prem. inc.	1,370,642	1,274,681
Losses, exp., etc.	1,002,885	918,170
Bal. fwd.	107,993	121,865
Inv. inc.	63,941	58,527
Profit on sec.	3,177	990
Total general rev.	175,112	181,384
Assets	2,176,678	2,041,391
Bonds & debs.	1,588,146	1,467,228
Mortgages	3,956	4,195
Res. unearned prems.	697,876	650,303
Losses under adjust.	155,017	143,754
Loss ratio %	40.16	36.23
Exp. ratio %	46.75	48.76
Surplus	629,513	565,987

Sovereign Life

Gains in new insurance effected, insurance in force and total assets are features of the report of the Sovereign Life Assurance Co. for the year ended Dec. 31, 1940. The increase of $2 millions in insurance in force is the largest for any year in the last decade.

Total cash income was lower, the decline being in net premium and annuity income. Income from interest and dividends showed a small increase.

Omitting deferred annuities and retirement-type contracts payable by annual premiums, which are included in the main insurance section, the company had in force at Dec. 31, 140 immediate annuities paid for by single premiums. These entail annual payments to the holders of $41,295. A reserve liability is included in the balance sheet on this account alone. Policy payments in 1940 were higher than in 1939.

	1940 $	1939 $
New insurance	5,787,854	5,307,450
Insurance in force	34,586,968	32,525,957
Net prem. & annuity income	941,049	1,034,509
Int., divds., etc.	368,008	366,461
Total cash inc.	1,439,320	1,548,217
Policy payments	606,016	550,773
Death claims, etc.	139,036	106,457
Endows. & annuities	132,142	80,495
Surrenders	273,941	297,142
Divds. to p'holders	60,895	66,678
Assets (Total)	8,020,219	7,855,351
Bonds & debs.	3,017,519	2,731,145
Mortgages	1,568,234	1,673,649
Stocks	1,263,112	1,181,287
Policy reserves	6,760,941	6,447,707
Free surplus	138,564	137,713

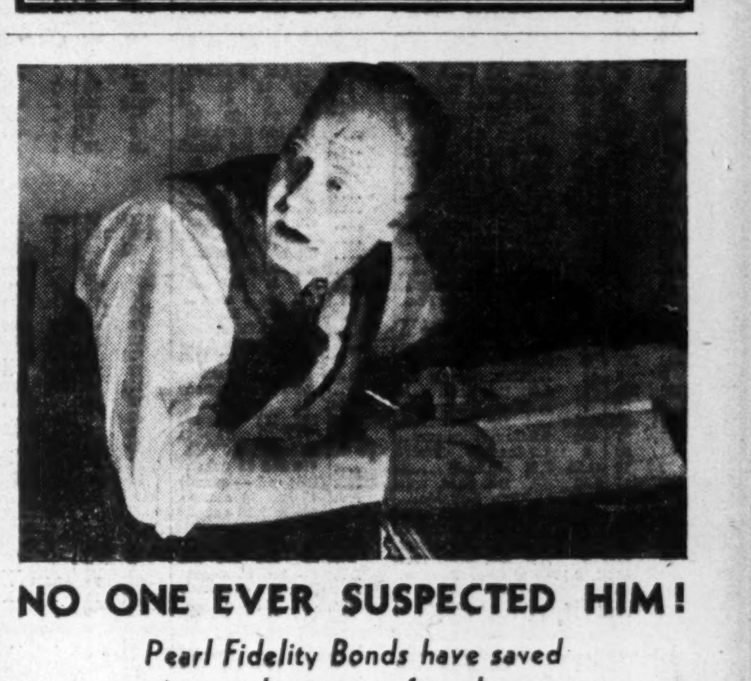
The
WAWANESA
Mutual Insurance Company
Assets Exceed ... $2,600,000.00
Surplus 1,330,363.89
Dominion Govt. Deposit exceeds 1,000,000.00
Wawanesa ranks 1st against all Companies operating in Canada on Net Fire Premiums Written according to Dominion figures for 1939.
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton
2,000 Agents Across Canada

BEING well protected by insurance usually means being protected by the old reliable "Norwich Union".

NORWICH UNION FIRE INSURANCE SOCIETY, LTD.
Head Office for Canada
12-14 Wellington St. East, Toronto
E. M. WHITLEY, General Manager for Canada
F. W. LAMONT, Asst. Mgr. C. C. PAULL, Asst. Mgr.

Fire Insurance and Allied Lines
AGENCY INQUIRIES INVITED
NATIONAL RETAILERS MUTUAL INSURANCE COMPANY

THE
Dominion of Canada
GENERAL
Insurance Company
Established 1887
Fire Casualty Life



NO ONE EVER SUSPECTED HIM!

Pearl Fidelity Bonds have saved many businesses from loss

"Old and trusted employee falsifies books"—it's an old, old story. And the tragedy of it for the business man is that little or nothing of what has been stolen can be recovered. Sometimes, such losses are ruinous.

A small premium invested in PEARL Fidelity Bonds will reap a large dividend of peace-of-mind . . . and may save your business from serious loss. Instruct your agent to insure you in the PEARL. Your inquiry will be welcomed.

PEARL
ASSURANCE COMPANY LIMITED
OF LONDON, ENGLAND
Head Office for Canada: Victory Bldg., TORONTO
LAWSON T. HARGREAVES, Manager for Canada.
W. C. BUTLER, Supt. Casualty Dept.

THE EUREKA-SECURITY FIRE AND MARINE INSURANCE COMPANY
INCORPORATED 1864—SAME YEAR AS PEARL . . POLICIES GUARANTEED BY THE PEARL

SOUND PROGRESS MAINTAINED

THE SOVEREIGN LIFE ASSURANCE COMPANY

Important Gains Recorded in 1940

Continued growth and generally satisfactory results are indicated by the Annual Report of the Company for 1940.

New Life Insurance issued increased by 9 per cent. Insurance in Force, at $34,586,968, shows gratifying net increase of $2,061,000. Specific Reserves for protection of Policyholders increased by $313,868 to $6,898,455. Dividends to Policyholders maintained. Total Assets at new high of $8,020,219. Average Rate earned on investments, 5.122%.

FINANCIAL STATEMENT, DECEMBER 31st, 1940

ASSETS

Bonds, Debentures and Debenture Stocks (book value)	$3,017,519.28
Preferred Stocks (book value)	553,987.45
Common Stocks (book value)	709,225.20
First Mortgages on Real Estate	1,588,234.87
Real Estate Owned	720,567.56
Real Estate Agreements for Sale	115,065.98
Loans on Policies secured by Reserves	791,384.22
Cash in Banks and at Company's Offices	115,343.46
Outstanding and Deferred Premiums—Net	163,173.98
Interest Outstanding	168,056.43
Interest, Dividends and Rents Accrued	87,750.57
	$8,020,219.00

LIABILITIES

Net Reserves for Policies and Annuities	$6,760,941.00
Policyholders' Funds on Deposit at Interest	407,673.96
Death Claims Reported—Proofs not Received	38,633.85
Premiums and Interest Paid in Advance	11,178.95
Accrued Taxes, payable 1941	19,685.40
Retirement Fund and Sundry Liabilities	25,071.93
Agency Credits awaiting Adjustment	10,359.28
Provision for Policyholders' Profits	137,514.00
Investment Reserve	250,000.00
Capital and Balance Shareholders' Acct.	220,595.74
Unassigned Surplus	138,564.89
	$8,020,219.00

BOARD OF DIRECTORS

W. SANFORD EVANS, LL.D., President; DR. E. W. MONTGOMERY, WILLIAM WHYTE, Vice-Presidents; E. E. SHARPE, K.C., JOHN MARTIN, JOHN W. HORN, ROY W. MILNER, C. D. GRAYSON, M. D. GRANT, F.I.A., Managing Director

THE SOVEREIGN LIFE ASSURANCE COMPANY
HEAD OFFICE - - WINNIPEG, CANADA

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING FEBRUARY 17

Range 1941 High	Low	Div R'te $	Feb15 Y'ld %		Sales	Last Feb. 10	Week end. Feb. 17 H	L	Cl'se
				A					
.90	.60	.	...	Abitibi	2575	.65	.70	.60	.60
8	4	.	...	Do. pref. 6%	1645	5½	5	4½	4½
12¾	10	.	...	Do. pref. 7%	....	(5 bid — asked)			
2	1	.	...	Acme Glove	50	2	1	1	1
51	50	6.50	12.7	Do. pref.	....	(40 bid 60 asked)			
11½	11½	80+20c	8.7	Agnew Surp.	....	(11½ bid — asked)			
108	107	7	6.5	Do. pref.	....	(107 bid — asked)			
1.50	1.25	.	...	Alta. Pac. Gr.	100	1.25	1.25	1.25	1.25
29	25	.	...	Do. pref.	....	(— bid 29 asked)			
[illegible]									

Range 1941 High	Low	Div R'te $	Feb15 Y'ld %		Sales	Last Feb. 10	Week end. Feb. 17 H	L	Cl'se
9	6	.	...	Fraser Cos.	40	7	[illegible]		
10½	7	.	...	Do. Vot. Tr.	136	8	[illegible]		
1.50	.50	.	...	Freiman	....	(— [illegible]			
42	41	.	...	Do. pref.	....	(41 [illegible]			
9¾	6½	80c	10.3	Gatineau Pwr.	238	7¾	[illegible]		
90	80	5	6.2	Do. pref.	271	80	[illegible]		
95½	92	5.50	5.9	Do. 5½% pref.	....	(85 [illegible]			
1¼	1	.	...	Do. Rights	....	(— [illegible]			
6¼	4¾	.	...	Gen. St. Wares.	909	4½	[illegible]		
94	88½	‡7+76c■		Do. pref.	31	92	[illegible]		
80	73	2.50	3.4	Goodyear Tire.	70	76	[illegible]		
56	53½	2.50	4.6	Do. pref.	80	55	[illegible]		
*50	50	‡7	...	Gould Pumps, p	....	(— [illegible]			
[illegible]									

[illegible]

Mining Stocks

Week Ending February 17

[illegible]

Vancouver Stocks

[illegible]

Oil Quotations

Par Val.	Range 1941 High	Low	Company	Sales	Close Feb. 10 (or last)	High for week	Low for week	Close Feb. 17
[illegible]								
No	.05	.04	Mill City Pete	2,700	.05	.04	.04	.04
1	.19	.17	Model	......	(.16 bid .20 asked)			
25c.	.03½	.03½	Monarch Royal	......	(.03½ bid .04½ asked)			
25c.	.05	.04½	National Pete	......	(.04½ bid .... asked)			
1	*.05	.04	Nordon	......	(.05 bid .... asked)			
No	.75	.60	Okalta	500	.63	.60	.60	.60
No	.04	.04	Pacalta Oil	......	(.... bid .04½ asked)			
1	.26	.20	Pacific Petroleums	1,500	.20	.20	.20	.20
25c.	.08	.07	Prairie Royal	500	.07½	.07½	.07½	.07½
No	.15	.19½	Royal Canadian	4,500	.11	.11½	.10	.10
No	*.10½	.05	Royal Crest	......	(.... bid .... asked)			
No	22.00	19.00	Royalite	......	(17.50 bid 19.00 asked)			
No	*.07½	.03	South End	......	(.... bid .... asked)			
No	.25	.25	Southwest Pete	200	......	.25	.25	.25
1	.05½	.04	Spooner	......	(.04½ bid .... asked)			
25c.	.14	.12	Sunset Oil	......	(.12 bid .15 asked)			
No	.04½	.04½	United	......	(.... bid .04½ asked)			
No	.04½	.04½	Vanalta	......	(.... bid .06 asked)			
1	.38½	.30	Vulcan	300	.38½	.30	.30	.30
No	*.05	.02	West Flank	......	(.... bid .... asked)			

* Quotations for 1940.

Winnipeg Stocks

(Transactions from Feb. 10 to Feb. 15)

	Sales	High for period	Low for period	Close Feb. 15
Central Manitoba	100	.02	.02	.02
Crescent Creamery, pref.	26	12.00	11.00	11.00
Gilbec	1,000	.01½	.01½	.01½
Great West Life	2	205.00	205.00	205.00
Magnet Consolidated	300	.80	.80	.80
Northern Trusts	125	8.00	8.00	8.00
United Grain Growers	7	9.00	9.00	9.00
Western Steel	65	7.50	7.00	7.00
Wingold	8,000	.08¾	.08½	.08¾
Wings	100	.40	.40	.40

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Federal Grain, p	..	30
Beav. Lumber, c.	..	4	Home Invest.	13	..
Beav. Lumber, p	102	..	Nor. Can. Mtg. p.	5	..
Can. Airways	1	..	Traders Bldg.	43	..
Can. Indemnity	150	..	West. Brew.	1¾	2
Dom. Envelope, c	8½	..	West. Grain, p.	..	7
Dom. Envelope, p	..	95	Wings Vot. Tr.	..	.50

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Feb. 18	8,000	6,400	142,000	......
Feb. 17	5,200	9,000	135,000	......
Feb. 15	5,600	2,900	89,000	8,795
Feb. 14	11,800	9,700	356,000	21,939
Feb. 13	8,900	15,000	286,000	27,202
Feb. 12	8,000	7,000	184,000	22,275

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds
Feb. 19, 1941

%	Due	Bid	Ask.	Approx. Yld.
1	Mar. '41	99	100⅛	.35
5	Nov. '41	102½	103	.97
1½	May '42	100¼	100¾	.94
2	June '42	100¼	101⅛	.95
3	Oct. '42	102½	103	1.17
2½	June '43	102	102½	1.39
5	Oct. '43	108	108¾	1.63
2	June '44	100¾	101¾	1.57
a2½	Jan. '44	91¼	92¼‡	5.03
4½	Oct. '44	108¾	109¼	1.91
2½	Nov. '44	102	102¾	1.74
a2½	Aug. '45	89½	90¾‡	4.80
4	Oct. '45	105¼	106	b1.69
4½	Feb. '46	109½	110¼	2.30
3¼	June '49	102½	103¼	b2.59
3½	Oct. '49	103	103¾	b2.42
3¼	Nov. '51	101	101¾	b3.00
3¼	Feb. '52	101¼	102	b2.94
a5	May '52	98	98¾	5.15
4	Oct. '52	105¾	106½	b2.94
3	Oct. '52	98¼	99	3.10
3	June '55	98¼	99	3.09
4½	Nov. '56	107¾	108½	b2.90
4½	Nov. '57	108	108¾	b3.05
3	June '58	97¾	98½	3.11
4½	Nov. '58	108½	109¼	b3.15
4½	Nov. '59	109¼	110	b3.18
a4	Oct. '60	87¾	89	b4.87
a3¼	Jan. '61	79¾	81¼	‡4.71
3¼	June '66	100¼	101	b3.17
a3e	Jan. '67	76¼	77¾	‡4.45
a3e	Nov. '68	76¼	77¾	‡4.39
†3	Perpet'l.	89¼	90	3.33
Dominion Guarant'd Bonds				
Can. Nat'l. Railways:				
2	Feb. '43	100¾	101½	1.24
2¼	Jan. '46	99¾	100¾	2.09
3	May '44	103	104	1.71
3	Dec. '50	98¼	99¾	3.03
3	Feb. '53	97	98¼	3.15
3	Jan. '59	96	97½	3.18
*4½	Sept. '51	113½	115	2.84
*4½	Feb. '56	114	115½	3.19

%	Due	Bid	Ask.	Approx. Yld.
4½	July '57	114½	116	3.24
*4¾	June '55	116	117½	3.23
5	Feb. '54	*116½	118	3.29
*5	July '69	113½	115	b1.84
*5	Oct. '69	118	119½	b2.94
*5	Feb. '70	118	119½	b3.00
Grand Trunk Pacific Rly.:				
3	Jan. '62	97¾	98¾	3.08
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	87½	89½	4.23
3¼	Aug. '49	91	93	4.24
3½	June '56	91	93	4.11
c4	Nov. '47	97½	99	4.17
c4½	Apr. '61	98½	100½	4.46
c5	Jan. '60	104	105	4.60
Nova Scotia:				
3	Jan. '52	93	94	3.67
3¼	June '56	93½	94½	3.72
3¼	Nov. '50	97½	98½	3.68
c4½	Sept. '52	106¼	107¼	b3.27
c4½	Nov. '60	108	111	3.72
c5	Mar. '60	114	116	3.83
Ontario:				
2½	May '45	99½	101	2.25
3	Apr. '48	98¼	99¾	3.04
3	Nov. '50	97½	99	3.12
3¼	Nov. '51	99¼	100¾	b3.15
3¼	May '55	99	100½	b3.20
*4	June '62	106	108½	3.44
4½	June '50	108½	110	3.25
*4½	Jan. '62	112	115	3.49
5	Oct. '48	111	112½	3.19
*5	Dec. '60	118	121½	3.50
5½	July '46	111	112½	3.03
Ont. Hydro Commission:				
3	Aug. '48	98¼	99¾	b3.04
3¼	Feb. '53	99	100½	b3.18
3½	Apr. '47	101¼	102¾	3.00
Prince Edward Island:				
3	Oct. '45	95	97	3.69
Quebec:				
3	Nov. '47	94¾	95¾	3.72
3¼	Mar. '48	95½	96½	3.82

%	Due	Bid	Ask.	Approx. Yld.
3½	Mar. '59	92	94	3.97
3¾	Feb. '55	96½	97½	4.01
4	Nov. '52	99¼	100¼	3.97
4½	Aug. '58	101	103	4.01
4½	Jan. '63	105	107	4.02
Alberta:				
4	Dec. '54	52½	56½	d
4½	Oct. '51	63	..	d
c4½	Oct. '56	54½	58½	d
*5	Oct. '59	57	61	d
c5½	Apr. '52	62	66	d
6	Mar. '47	66	70	d
British Columbia:				
c4	Dec. '57	96	101	3.92
*4½	Jan. '51	100	104	4.01
c4½	Oct. '53	100	104	4.10
c5	Apr. '54	103	107	4.31
5½	Feb. '45	101	105	4.13
6	Feb. '47	104	108	4.46
Manitoba:				
c4	Dec. '57	86½	90½	4.82
c4½	Dec. '56	89½	93½	5.10
*5	Dec. '59	94½	98½	5.12
5½	Oct. '55	95	99	5.60
6	Apr. '47	97	101	5.80
Saskatchewan:				
4	Sept. '54	65	70	7.50
4	Nov. '60	63	68	7.00
c4½	Oct. '51	79	85	6.42
c4½	Mar. '60	70	75	6.88
5	Aug. '58	73½	78½	7.18
5½	Oct. '52	80	85	7.40
6	Mar. '52	84	89	7.48

*—Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †—Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡—N.Y. funds.

Unlisted Stocks

Feb. 18, 1941 (Furnished by A. J. Pattison, Jr. & Co., Toronto)

Industrials:	Bid	Ask.
Acme Farm. D.	31	35
Andian National	27	28½
Anglo C. Tel., A	7¾	8½
Atlas Steel	20	25
Barrymore, pfd.	28	..
Blue T. Brew. A	8½	10
B. C. Pulp, c.	14	15½
Do., pfd.	58	65
B. C. Sugar	71	74
B. C. Tel., 1st p.	110	115
Burns & Co., A	4	5½
Do., B	2½	3½
Can. Col. Air.	3	3¾
Can. Co-op. Wl.	6	7¾
C. I. L., A c.	210	220
Can. Ing. Rand	76	84
Can. Mot. L.A.B.	2¾	..
Can. Tube, 1st p	91	..
Can. West'ghouse	44	47
Can. Indust., A c	195	210
Do., p.	168	171
Chase, A. W., p.	18	20
Claude Neon, p.	5	6
Colonial Steam.	14	16
Dom. Manuf., p.	61	65
Dunlop T. p $25	23½	24½
Easy Wash. p $10	9½	11
Goderich Elev.	7	8
Guard. Realty, p	16	18
Guelph Carp., c.	20	23½
Gurney Fdry., p	1	1½
Hayes Steel, c.	9½	10½
Hi'land Dairy, p	49	56
Homewood San.	100	120
Ingram & Bell	23½	30
Kingst. Ship. un	26	30
Loblaw Inc., c.	11½	12½
M'row Screw, p.	99	..
Do., com.	10	12
Morrison Br. un.	4	5½
N. B. Tel., c.	10½	13

	Bid	Ask.
Neilson, Wm., c.	9	..
Do., pfd.	100	..
N. Meth. Ldy., p	52	57
Niag. L. A. Br.	..	42
Ont. Tobacco, p.	15	17
Pac. C. Term., c	9	10¾
Paterson, Wm. p	102	..
Prov. Paper, pfd	105½	107
Ruddy, E. L., p.	22½	25
Seal O Sac (Can.)	..	2
Stand. Fuel, p.	60	63
Stedman, pf. $50	56	59
Tor. Carpet, c.	39	..
Do., pfd.	63	68
Un. F. Co-op.	2½	3½
Un. Steel. A pf.	23	24
Viceroy Mfg., p.	24½	25½
Do., com.	11½	15½
Westons Hold.	2	..
Trusts & Loan Stocks:		
Brit. Mtge.	125	132½
Brockville Tr.	40½	..
Capital Tr.	28	33
Com. Fin., c.	2¾	3
Grey & B. Tr. $50	42	46
Guaranty Trust	102	104
Guelph & O. $50	51	54
Indust. Mtge.	24½	..
London & West.	30	34
Premier Trust	59	64
Sherbrooke Tr.	120	..
Sterling Trust	57½	..
Traders Fin. A c	10	11½
Do., A pfd.	88	92
Trusts& Gr., new	50	53
Victoria Trust	70	80
Waterloo Tr.	101	..
Insurance Stocks:		
Canada Life	410	..
Brit. Amer.	50	55
Canadian Fire	80	85

	Bid	Ask.
Confed. 30% pd.	137	142
Continental L.	35	..
Crown, fully pd.	250	265
Dominion Fire	135	..
D. of Can. Gen.	115	125
Empire 25% pd.	5½	6½
Excelsior 38% pd	70	..
Federal 25% pd.	51	55
Great-West Life	200	215
Halifax Fire	16½	18
Imperial Life	290	300
Manufac. Life	232½	242½
Monarch Life	32½	35½
Sov. L. 25% pd.	11½	13
Sun Life	290	320
Tor. General	5	5¾
Wellington Fire.	58	..
Western Assce.	41	43
Theatre Stocks:		
Allen's King., p.	60	64
Do., London p	50	54
Do. St. Cath. p	51	53½
Loew's Tor., p.	98	..
Mansf. Theat., p	28	30
Para. Kitch., p.	50	55
Do., Oshawa, c	8	11
Investment Trust Shares:		
Can. Investors	5	6
Deb. & Sec. pf.	60	..
Inv. Found. un.	43¾	..
Sec's. Hold., pf.	19	21
United Corp., A	19	21
Do., B	4½	5½
Power Issues:		
Can. W. N. Gas	24	..
Do., pfd.	102	104
Gt. Lakes Pr., p	101	103
Int. Ut., $1.75 p.	14	..
Do., $3.50 p.	35	..
Mtl. Is. Pwr., p.	20	..
Nor. Ont. Pr., p.	75	80

Unlisted Mines

Toronto, Feb. 18, 1941

	Bid	Ask
Acordia	.20	.23
Addington	.00¾	.01½
Albany River (Old)	.05	.08
(New)	.15	.19
Amal Kir	.06½	.08
Anoki	.02	.03
Aquarius	.20	.22
Arjon	.02½	.03½
Armistice	.07	.08
Argosy	.07½	.08½
Arca	.03	.03¾
Arno	.00½	.01½
Athona (Old)	.01½	.02½
(New)	.03	.04
Barb Lard	.02	.02¾
Bilmac	.01½	.03
Bonetal	.45	.50
Brock	.28½	.30
Buf Bear	..	.04
Calder Bo	.01¾	.02¾
Central M	.02½	.03
Cheminis	.02¾	.03½
Coin Lake	.03	.03¾
Cons Chib	.04½	.06
Crescent	.00½	.01
Dayton	.01	.02
Demp Cad	.00½	.01

	Bid	Ask
Desants n	..	.20
Dona Pat	.01¼	.01¾
E Lacoma	.00½	.01
Elmos	.07	.09
Franco	..	.25
Galore	.01½	.02½
Gan Cop	.10	.12
Gate Pat	.00½	.01
Gilbec	.01	.01½
Gord Leb	.00½	.01½
Hoyle nw	.28	.30
Hugh PaP	.07	.08
Hutch Lke	.01	.01½
Jason	.41	.43
Keora	.01	.01¾
Kenricia	.01½	.02½
Kewagama	.01	.01¾
Kiena	.04	.05½
Kirk Gate	.01	.02
Lacoma	.00½	.01
LaGuerre	.18	.20
Lake Duf	.15	.17
Lake Gen	.02	.03½
Lardego	.01	.01½
Lw Pete	.15	.17
Magnet C	.78	.81
Magnet L	.19	.22
Magwell	.02	.04
Manik'u	1.75	2.25

	Bid	Ask
Martin Br	.03	.03¾
Margaret	[illegible]	..
Mata Cana	.03½	.04½
Mata Con	[illegible]	..
McMar'ac	.40	.42
MofHal n	.04	..
Monarch	.01½	.02
Mooshla	.01½	.02½
Mosher	.04¾	.05½
McGregor	.02	.02¾
Nat Mal	.30	.33
Negus	.85	.95
New Aug	.25	.27
New Roy	.00½	.01¼
Nickel O	.80	1.00
Norbeau	.21	.27
Norlake	..	.01
Northland (1940)	..	.08
Norwin	.04	.06
Oklend	.04¾	.05¾
O'Leary	.01¾	.02½
Opemiska	..	.05
Oriole	.01	.01½
Orpit	.04	.04¾
Ossian	.00¾	.01¼
Pascalis	.30	.34
Pontiac Rouyn (Old)	.03	.06

	Bid	Ask
Pelangio	.01½	.02
Phoenix	.01	.02
Polaris	.09	.11
Privateer	.47	.50
Propri'y	2.50	2.70
Presdor	.04	.04¾
Queb Man	.05	.06½
Rahn Lake	.01	.02
Rand Ml	.14	.16
Red Lake	.01½	.02
Sachigo	2.00	2.75
Senore	.11	.13
Shenango	.02	.02½
Sheldon	.04½	.06
Siscoe Ex	.01½	.02½
Skynner	.04	.05½
Smelters G	.01	.01½
Spooner	..	.03
Sunbeam	.02½	.03½
Springer	.21	.23
Stadacona	.04	.06
Thomson	.13	.15
Thomp Cd	.01	.02½
Treaty P	..	.12
Union Min	.04	.04¾
Wasu	.04	.05
West. Red	.03½	.04½
Woco	.02½	.03½
Y David'n	.24½	.26

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)
Feb. 18, 1941

Public Utility Issues:	Int. Rate %	Due	Bid Feb. 18	Asked Feb. 18	Bid Feb. 11
▲‡Alg. C. H.B.R.	5	'39	6½	9½	5½
†Assoc. Tel & T.	5½	'55	72	75	73½
B. C. Power	4½	'60	98½	101½	99
B. C. Tel.	4½	'61	106½	109½	106½
†Calgary Pwr.	5	'60	106½	109½	106½
Do.	5	'64	102½	...	102½
†Can. Nor. Pwr.	5	'53	102½	105½	102½
*Dom. Gas & El.	6½	'45	104½	107½	104
Gatineau Pwr.	5	'49	101½	104½	102
°Do., A	3¾	'69	97½	100½	98
♦Do., B	3¾	'69	97½	100½	98
Gt. Lakes Pwr.	4½	'56	98	101	98½
Do.	5	'57	94½	97½	95
*Int. Hydro-E.	6	'44	55½	58½	58
▲Inter. Power	6	'55	101	...	101
L. St. Law Pwr.	5	'55	98	101	98
Macl'n-Que. Pr.	4	'59	97½	100½	97
Mtl. L. H. & P.	3½	'56	100½	103½	101
Do.	3½	'73	97½	100½	98½
Do.	3½	'63	98½	101½	99
†Mtl. Tramways	5	'41	93½	96½	93½
†Do.	5	'55	64½	67½	66
Nat. Lt. & Pwr.	6	'49	99½	102½	99½
N. S. Lt. Pr.	4	'57	100½	103½	100½
Ottawa L.H.&P.	4	'57	101	104	101½
Ottawa V. Pwr.	5	'59	102	105	102
†Power Corp.	4½	'59	96½	99½	97
Quebec Pwr.	4	'62	100	103	100
°Saguenay P., A	4½	'66	110½	113½	110½
♦Do., B	4½	'66	106½	109½	107
St. Maurice Pr.	4½	'70	100	103	100
Shaw W. & Pr.	4	'61	100½	103½	101
Do.	3½	'46	100	103	100½
Do.	4	'69	100	103	101½
Union Gas	4½	'50	102	105	102
*Twin C. R. Tr.	5½	'52	65½	68½	67
†United Secs.	5½	'52	57½	60½	58
‡Wpg. El., ser. A	5	'65	66½	69½	66
Do., B	5	'65	43½	46½	42
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	63	66	65
†Do., C.O.D.	5	'53	58½	61½	61
Acadia Sugar	4½	'55	101½	104½	101½
Do.	6	'54	97	100	97½
†Alta. Pa. Grain.	6	'46	97½	100½	97½
Algoma Steel	5	'48	102	105	102
Atlantic Sugar	4	'51	100	103	100
†B. C. P. & Pap.	6	'50	84	88	..
†‡Do.	7	'50	100	104	...
°Brown Co.	5½	'46	44	47	45
Burns & Co.	3	'58	55	59	58½
Canada Bread	6	'41	100½	103½	100½
Canada Cement	4½	'51	103	106	103½
Canada Electric	4½	'65	95	98	95
Can. Paper	4½	'52	101	104	101
Can. Steamship	5	'57	97	100	97
Can. Canners	4	'51	100½	103½	100½
*Can. Int. Paper	6	'49	102	105	102
‡Can. Locomotive	6	'53	83	87	..
‡†Candn. Vickers	6	'47	52	56	..
C. P. R.	3½	'51	88	91	88
Do.	4	'49	92½	95½	92½
Do.	4½	'44	98½	101½	98
Do.	6	'42	103	106	103
Col. Steamships	6	'34	94	97	95
Dom. Coal	4½	'52	100½	103½	101
Dom. Scott. Inv.	4	'52	95	..	95
Dom. Stl. & Co.	6½	'55	105½	108½	106
Dom. Tar	4½	'51	100½	103½	101
Dom. Woollens.	6	'33	95½	98½	96
†Donnacona P.	4½	'56	73½	76½	74
*Dryden Pap.	6	'49	100	103	99½
‡Dufferin Pav.	5	'55	51	55	52
†East. Dairies	6	'49	78½	81½	80
Famous Players	4½	'51	100½	103½	100
†Federal Grain	6	'49	98	101	98
†Fraser Cos.	6	'50	98	101	98
Galt Brass	5	'50	78	..	78
Gen. Stl. Wares.	4½	'52	96	99	98
*Great L. Paper.	5	'55	92½	95½	92
°Gurney Fdry.	5½	'49	64½	68½	64½
†Gypsum, Lime	5½	'48	95½	98½	96
Ham. By-Pr., C.	5	'55	101½	104½	101½
Do.	6	'56	99½	102½	99
Ham. Cotton	4½	'50	99½	102½	99½
Inter-City Bak.	5½	'48	101½	104½	101½
Indust. Accept.	4	'32	83½	86½	83½
Ins. Ex. Bldg.	3	'51	42	45	42
*Inter. P., Nfld.	4½	'68	94½	..	91½
*Inv. Bond & Sh.	5	'47	47½	50½	48
†Kingston Elev.	6	'50	105	108	105
Lake St. J. P.	5½	'61	88	91	89
Do.	5	'61	63½	66½	64
Legare	6	'61	86½	90½	86½
Maple Leaf M.	3	'58	71	74	72
Man. Sugar	5	'60	97	100	97
Massey-Harris	4½	'54	90	93	89
McColl-Fron.	4½	'49	101	104	101½
McCormick's	4	'52	96	99	96
Do.	4½	'52	103	...	102½
Mercury Mills	5	'59	90½	93½	91

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & Co., Toronto)
Feb. 18, 1941

Miscellaneous:	Bid $	Asked Feb. 18 $	Bid Feb. 11 $
Adirondack Fdry. c.	10.00	12.00	10.25
Atlas Steel, 1st p.	106.00	109.00	106.25
Blue Top Brew., B	6.00	6.75	6.10
Brandram-Hend., c.	2.00	3.00	2.00
Can. Tube & Stl., c.	3.50	4.50	3.35
Can. West Lumber	.50	1.00	.35
Cap. Wire Cloth, p.	18.00	21.00	18.00
Collingw'd Term. un	.70	....	.70
Corp. Inv., A	5.75	6.25	5.75
Corr. Paperbox, c.	.50	.80	.50
Dover Ind.	7.25	7.75	7.25
East. Bake., pref.	27.00	32.00	25.00
East. Steel Prods. p.	20.00	21.00	20.25
Hart Battery, c.	6.00	7.00	6.00
Imperial Varnish, c.	8.00	9.75	8.25
Ind. Accept., pref.	80.00	85.00	80.00
Inter. Equities, un.	24.00	29.00	24.00
Inv. Found., units	43.00	46.00	43.00
†Loew's London, p.	2.25	3.00	2.50
Mersey Paper, c.	4.00	5.50	4.25
Mid. Loan & Sav.	14.00	15.25	14.00
*Moirs, 6% pref.	19.25	22.00	19.50
Mont. Aircraft, com.	1.00	2.00	1.50
Mt. Royal, new c.	2.25	2.75	2.50
*Mt. Royal, old pref.	3.50	4.50	4.00
Murphy Paint, un.	99.00	100.00	98.75
Nat. Hosiery, com.	.75	.95	.75
†N. Amer. Elev., p.	52.00	....	53.00
Premier Trust	62.00	66.00	62.00
Provincial Bank	102.00	106.00	103.00
Reanite Corpn.	4.25	6.00	4.50
Traders Fin., rts.	13.00	15.00	13.00
Trusts & Guar., old	25.50	26.50	25.25
Waterloo Mfg., new	1.00	1.65	1.05
Waterloo Tr. & Sav.	101.50	103.50	101.00
West Can Hydro, p.	11.50	12.50	11.50
West. Life, 10% pd.	8.50	11.50	8.50
Woods Mfg., com.	4.00	6.00	4.50

*Issue carries arrears.
†Currently paying on arrears.

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid Feb. 18	Asked Feb. 18	Bid Feb. 11
Mersey Paper	5	'57	96½	99½	96½
†Do.	6	'49	99½	102½	99
Moirs Ltd.	6	'53	82	..	81
‡Mtl. Drydocks	6	'48	37	41	38
Montreal Apts.	4	'54	58½	61½	58½
Nat. Grocers	4	'47	101	104	101
N. S. Stl. & Co.	3½	'63	84½	87½	84½
Price Bros.	5	'57	94½	97½	95½
Do.	4	'58	80½	83½	80
*Prov. Paper	5½	'47	105	...	105
Reliance Grain.	4½	'52	94½	..	94½
†Restigouche Co.	6	'48	98½	101½	98½
Rolland Paper	4½	'51	102	105	102
Ruddy, E. L.	6½	'48	101	104	101
Silv. Dairies	6	'66	93	96	94
Simpsons Ltd.	4½	'51	99	102	99
Smith, Howard.	4½	'51	103	106	103½
Stand. Lime	6	'44	96½	..	96
Sterling Coal	6	'45	96½	..	96
Stop & Shop	3	'47	60½	63½	61½
United Corp.	5	'53	90	93	91½
*United Gas	5½	'48	104	107	104
♦United Gr. Grs.	5	'48	96½	99½	96½
†Western Grain	6	'49	43½	46½	42

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
▲Payable in Can. or U. K.
°Payable in U. S. only.
♦Payable in Canada only.
‡Traded without accrued interest.

Municipal Bonds

Feb. 18, 1941

†Halifax	5	1961	110.00	114.00	3.99
Hamilton	5	1950	109.75	111.75	3.50
Montreal	5	1945	97.00	98.50	5.42
Ottawa	4½	1945	104.50	106.50	2.90
†Quebec	5	1959	106.50	108.00	4.36
Saint John	5	1950	101.00	104.00	4.49
†Toronto	4½	1955	110.20	112.20	3.40
†Vancouver	5	1950	98.00	101.00	4.86
Winnipeg	5	1944	101.00	104.00	3.61

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Affiliated Fund	2.24	2.46
Can. Amer. Trust	2.70	3.05
Can. Invest. Fund	3.20	3.55
Grouped Income	...	5.20
Trans-Canada	9.75	10.65

Annual Meetings

1941:	Company	Place
Feb. 25	Modern Containers	Toronto
Feb. 26	Can. Accid. & Fire	Montreal
Feb. 26	Guelph & Ont. Savings	Guelph
Feb. 27	Bell Telephone Co.	Montreal
Feb. 27	Provincial Transport	Montreal
Feb. 28	Candn. Bronze Co.	Montreal
Feb. 28	General Steel Wares	Montreal
Feb. 28	Page-Hersey T.	Crowland, Ont.
Mar. 3	Great West Saddlery	Winnipeg
Mar. 5	Fanny Farmer Candy	Rochester
Mar. 5	Kelvinator of Canada	London
Mar. 6	Bldg. Products Ltd.	Montreal
Mar. 7	Prudential Trust Co.	Montreal
Mar. 24	Twin City Rap. Tr.	Minneapolis

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, c.	40c	Mar. 1	Feb. 15
Do., pref.	$1.75	Apr. 1	Mar. 15
Aluminium pf.	†$1.50	Mar. 1	Feb. 8
Do., com.	$2	Mar. 5	Feb. 12
Anglo Can. Tele., A	15c	Mar. 1	Feb. 15
Bk. of Nova Scotia	$3	Apr. 1	Mar. 15
Belding-Cort.	$1	Apr. 1	Mar. 15
Do., pref.	$1.75	Apr. 1	Mar. 15
Beattie Gold	4c	Mar. 15	Mar. 1
Borden Co.	30c	Mar. 3	Feb. 15
Bk. Can. Nationale	$2	Mar. 1	Feb. 15
Bathurst P & Pap A	25c	Mar. 1	Feb. 14
Bank of Toronto	$2.50	Mar. 1	Feb. 15
Bank of Montreal	$2	Mar. 1	Jan. 31
Can. F. & Forg. A	‡37½c	Mar. 15	Mar. 1
Can. Cr. Stone	■10c	Mar. 31	Mar. 15
Can. Cel., Inc Fd. rts.	$1	Mar. 15	Dec. 31
Can. & D. Sug., c.	■37½c	Mar. 1	Feb. 15
Candn. Indust., pf.	$1.75	Apr. 30	Mar. 31
Do., com.	$1.75	Apr. 30	Mar. 31
Can. Intl. Inv. Tr. p.	■50c	Mar. 1	Feb. 15
Commoil	1c	Feb. 25	Feb. 14
Can. Malartic	■2c	Mar. 26	Mar. 8
Can. Car, pref.	■44c	Apr. 10	Mar. 21
Chartered Trust	$1	Apr. 1	Mar. 15
Canada Cement pf.	$1.25	Mar. 20	Feb. 28
Coniaurum Mines	■4c	Mar. 20	Mar. 8
Canada Dry	†15c	Mar. 24	Mar. 10
Canada Vinegars	10c	Mar. 1	Feb. 15
Can. W. & Cable A	$1	Mar. 15	Feb. 28
Do., B com.	50c	Mar. 15	Feb. 28
Do., pref	$1.62½	Mar. 15	Feb. 28
Can. Gen. Elec.	$2	Apr. 1	Mar. 15
Capital Trust	$1	Mar. 1	Feb. 15
Cap. Wire Cloth, p.	38c	Mar. 1	Feb. 12
Can. Min. Eq., p. c.	■10c	Mar. 15	Feb. 4
Do., extra	■5c	Mar. 15	Feb. 4
Dom of C. Gen. Ins.	$6	Feb. 28	Jan. 23
Do., bonus	$3	Feb. 28	Jan. 23
Dom. Bridge	30c	Feb. 25	Jan. 31
Dom. Ang. Inv., pf.	$1.25	Mar. 1	Feb. 15
D. Envelope, 1st p.	$1.75	Mar. 1	Feb. 20
Dom. Scot Inv., p.	50c	Mar. 1	Feb. 20
Dom. Fdy. & St. p.	$1.50	Mar. 1	Feb. 20
Dom. Text., p.	$1.75	Apr. 15	Mar. 31
Do., com.	$1.25	Apr. 1	Mar. 15
Electrolux	†20c	Mar. 15	Feb. 15
Extension Oil	1½c	Feb. 28	Feb. 20
East Malartic	10c	Mar. 25	Mar. 1
Ford Motor	25c	Mar. 15	Feb. 22
Grandview Mines†	½c	Mar. 20	Mar. 10
Granby Cons.†	15c	Mar. 1	Feb. 14
Hallnor Mines	15c	Mar. 1	Feb. 15
Hollinger Cons.	5c	Feb. 25	Feb. 11
Do., extra	5c	Feb. 25	Feb. 11
Inter. Nickel, c.	†50c	Mar. 31	Mar. 1
Kelvinator of Can.	■25c	Mar. 10	Feb. 24
Kerr Addison G.	5c	Feb. 28	Feb. 12
Kirkland Lake	5c	May 1	Mar. 31
Do., extra	1c	May 1	Mar. 31
Lake of W. Mill. p.	$1.75	Mar. 1	Feb. 15
Laura Secord	20c	Mar. 1	Feb. 15
Loblaw Groc. A B	25c	Mar. 1	Feb. 10
Loblaw Groc. Inc.	†20c	Feb. 28	Feb. 13
Melchers Dist., pf.	*30c	Apr. 15	Apr. 5
McIntyre Porc.	55½c	Mar. 1	Feb. 1
Mitchell, J. S., c.	$2.50	Mar. 1	Feb. 14
Marcus Loew's, p.	$1.75	Mar. 31	Mar. 15
Do., com.	$1.75	Mar. 31	Mar. 15
Montreal C'tons, p.	$1.75	Mar. 15	Feb. 28
Do., com.	$1	Mar. 15	Feb. 28
Mcenzie Red L.	3c	Mar. 15	Mar. 1
New Meth. Ldy.	$1.62½	Mar. 1	Feb. 24
Northwest Util.	$1.50	Mar. 1	Feb. 24
Nat. Biscuit, p.	†$1.75	Feb. 28	Feb. 11
Do., com.	†40c	Apr. 15	Mar. 14
Nat. Grocers, pfd.	37½c	Apr. 1	Mar. 15
Noranda Mines	$1	Mar. 15	Feb. 20
Naybob Gold	1c	Apr. 15	Apr. 1
N. S. Light & Pr. p	$1.50	Mar. 1	Feb. 15
Nan.-Dun. Util., p.	81¼c	Mar. 1	Feb. 15
Ogilvie Flour, p.	$1.75	Mar. 1	Feb. 17
Paton Mfg., pfd.	$1.75	Mar. 15	Feb. 28
Do., com.	50c	Mar. 15	Feb. 28
Perron Gold	4c	Mar. 21	Mar. 1
Do., extra	1c	Mar. 21	Mar. 1
Petrol Oil	■2c	Mar. 1	Feb. 15
Photo Engravers	50c	Mar. 1	Feb. 15
Preston E. Dome	5c	Apr. 15	Mar. 31
Do., extra	5c	Apr. 15	Mar. 31
Pressed Metals	25c	Mar. 1	Feb. 15
Provincial Bank	$1.50	Mar. 1	Feb. 15
Para. Pictures	†20c	Apr. 1	Mar. 14
Do., 1st pfd.	†$1.50	Apr. 1	Mar. 11
Do., 2nd pref.	†15c	Apr. 1	Mar. 11
Quebec Power	25c	Feb. 25	Jan. 25
Rolland Paper, pf.	$1.50	Mar. 1	Feb. 15
Royal Bank	$2	Mar. 1	Jan. 31
Regent Knit. pfd.	40c	Mar. 1	Feb. 15
Riverside Silk A	50c	Apr. 1	Feb. 15
San Antonio	7c	Apr. 21	Apr. 5
Do., extra	3c	Apr. 21	Apr. 5
Stedman, p.	75c	Apr. 1	Mar. 20
Do., com.	15c	Apr. 1	Mar. 20
Do., extra	60c	Apr. 1	Mar. 20
Shawinigan W.	23c	Feb. 25	Jan. 25
Siscoe Gold	2½c	Mar. 15	Feb. 15
Sullivan Cons.	3c	Mar. 15	Feb. 15
Sylvanite Gold	■7c	Mar. 31	Feb. 10
Sunset Oils	2c	Mar. 15	Mar. 5
Sher.-Williams, p.	$1.75	Apr. 1	Mar. 15
Do., arrears	$1.75	Apr. 1	Mar. 15
Stuart, D A Oil, p.	20c	Mar. 1	Feb. 15
Sundance Rylts.	1c	Feb. 28	Feb. 20
United Fuel, A, p.	75c	Apr. 1	Mar. 20
Upper Can. Mines	3c	Feb. 28	Feb. 15
Union Gas	20c	Mar. 15	Feb. 20
West. Candn. Hydro	20c	Mar. 1	Feb. 20
Walker-Good.	$1	Mar. 15	Feb. 14
Do., pref.	25c	Mar. 15	Feb. 14
Wilsil	25c	Apr. 1	Mar. 15

†Payable in U. S. funds.
*Arrears eliminated after giving effect to this payment.
■Subject to approval of Foreign Exchange Control Board.
‡Also 37½c. declared payable quarterly June 16, Sept. 15 and Dec. 15, 1941.

Mining Dividends

	Rate	Close Feb. 17	Yield %
Anglo-Huronian	‡10c	2.50	..
Beattie Gold	16c+2c	1.09	*17.1
Bralorne	80c+40c	9.75	*12.3
Broulan Porc.	‡6c	.78	..
Buffalo Ankerite	‡31c	4.10	..
Bulolo Gold	$3	16.25	18.4
Can. Malartic	8c	.50	..
Cariboo Gold	16c+8c	2.75	*8.7
Central Patricia	16c+7c	1.70	*13.4
Chesterville	†5c	1.30	..
Cochenour Willans	†3c	.69	..
Coniagas	‡25c	1.50	..
Coniaurum	16c+2c	1.30	*13.8
Cons. Smelters	$1+$1.25	35.50	*6.3
Delnite	‡6c	1.00	6
Dome Mines	$2	23.00	8.7
East Malartic	‡30c	2.61	11.5
Francoeur Gold	†3c	.37	..
God's Lake	‡2½c	.29	..
Goldale	‡2c	.12¼	..
Gold Belt	‡4c	.28	..
Gunnar Gold	‡6c	.26½	..
Hallnor	60c	5.25	11.4
Hard Rock	‡10c	.78	..
Hedley Mascot	‡8c	.47	..
Hollinger	65c+45c	12.87	*8.7
Howey Gold	‡5c	.24	..
Hudson Bay	‡$2	24.50	8.1
Inter. Nickel, com.	$2	32.37	6.2
Island Mountain	‡15c	.75	..
Kerr Addison	‡15c	3.20	..
Kerr Lake	‡10c	.20	..
Kirkland Lake	10c+2c	.92	*13.0
Kootenay Belle	‡12c	.21	..
Lamaque Gold	40c+10c	4.55	*10.9
Lake Shore	$2	19.00	10.5
Leitch	8c	.50	16.0
Little Long Lac	30c	1.72	17.4
Macassa	32c+3c	3.50	*10.0
Madsen R. Lake	‡6c	.54	..
McGillivray Coal	3c+1c	.24	..
McKenzie Red L.	♦12c	1.15	10.4
McWatters	10c	.21	..
Moneta	12c	.48	..
McIntyre Porc.	$2.05+$1■	47.25	*6.4
MacLeod-Cockshutt	‡20c	1.80	11.1
Naybob Gold	4c	.24	..
Nipissing	15c	1.00	..
Noranda	$4	50.75	7.8
North Empire	‡50c	5.00	..
O'Brien Gold	‡10c	.80	..
Pamour Porc.	12c	1.15	10.4
Pato Cons.	20c	2.65	..
Paymaster	‡1c	.21½	..
Perron Gold	16c+4c	1.50	*13.3
Pioneer, B.C.	40c	2.12	18.8
Pickle Crow	40c	2.66	15.0
Placer Develop.	$1.20	9.00	13.3
Premier	12c	.90	..
Preston E. Dome	20c+5c	2.75	*9.0
Privateer Mine	‡16c+2c	.46	..
Powell Rouyn	‡10c	.80	..
Quebec Gold	‡2c	.28	..
Relief Arlington	‡5c	.03	..
San Antonio	14c+6c	2.15	*9.3
Sheep Creek	16c+3c	.81	*23.4
Sherritt Gordon	‡10c	.70	..
Sigma Mines	‡45c	7.50	..
Silbak Premier	16c	.70	22.8
Siscoe	‡11½c	.54	..
Sturgeon River	‡2c	.17	..
Sudbury Basin	‡2½c	1.26	..
Sullivan Cons.	‡9c	.57½	..
Surf Inlet	‡1½c	.11½	..
Sylvanite Gold	20c+10c	2.60	*11.5
Teck-Hughes	40c+5c	3.25	*13.8
Toburn	8c+12c	1.60	*12.5
Upper Canada	‡6c	1.32	..
Ventures	15c	3.15	..
Waite Amulet	‡10c	3.50	..
Wendigo	†3c	.21	..
Wright-Harg.	‡40c+30c	6.50	*10.7

*Yield including bonus. †Initial.
‡Paid in 1940.
■An extra dividend of $1.11 paid Jan. 2, 1941.
♦Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.

Deny Political Motives Behind Farm Butter Plea

The political motives attributed in Ottawa to the Canadian Federation of Agriculture, in its stand on the recent pegging of the price of butter, are strongly denied in a letter to The Financial Post from H. H. Hannam of Toronto, president of the Federation.

Mr. Hannam refers to an Ottawa dispatch published in The Financial Post of Feb. 1, reporting the views in Government quarters on the Federation's protest against pegging the price of 35 cents a pound. The report cited suspicion at Ottawa that the Federation's stand was largely political, with the Hepburn Government in Ontario at the root of the trouble.

The dispatch also alluded to the Toronto address of F. A. McGregor, member of the Price Board, in which he said that the Federation favored a maximum butter price when consulted by the Board and made no objection to New Zealand butter imports. Such imports, if possible, would have held Canadian prices to a lower maximum of 33 cents, it was suggested.

Wanted Higher Peg

Mr. Hannam makes the point that the Federation, while it registered no objection to the general principle of a price ceiling for butter, opposed such a move until the market price rose to 40 cents or better. The Federation's protest was against setting of the peg at a lower level, he says. Mr. Hannam's outline of what he declares to be "the facts of the case" is as follows:

"Neither the Ontario Government nor any other is in any way responsible for the stand taken by the Canadian Federation of Agriculture in regard to this matter. Rumors to the contrary are entirely false.

"A delegation from the Federation of Agriculture was invited to meet the Wartime Prices and Trade Board in regard to butter prices and did so on Nov. 22. We were invited in for an informal discussion and therefore assumed that the Board did not wish us to present a written brief.

"Our whole case was built up and presented around this statement: 'There is as yet no justification for the setting of a maximum price on butter and on the basis of present costs no such action should be contemplated while the price of butter remains below 40 cents per pound.' This was agreed upon by the members of our delegation before we went to the interview. No member of our delegation is aware of anyone saying anything during the interview which would lead the Wartime Prices and Trade Board to conclude that we had agreed to any compromise or modification of this stand.

Against Oleomargarine

"We did definitely oppose the introduction of oleomargarine into the Canadian market. We did not, however, agree that a maximum price should be pegged below 40 cents a pound as an alternative to the introduction of oleomargarine.

"When the importation of New Zealand butter was proposed we approved of the move only on the following conditions: That such be undertaken if and when there was a definite shortage of butter in the Canadian market; and that the importations be made under strict government control so that they would not break the domestic price, but serve solely to make up whatever shortage was found to exist.

Stand Misinterpreted

"How the Wartime Prices and Trade Board could misunderstand or misinterpret our presentation in order to make the statements attributed to F. A. McGregor, a member of the Board, is quite beyond us.

"Following our interview with the Wartime Price and Trade Board we felt that its members had a very good understanding of the position of the producer. They gave us no reason to believe that they disagreed with our presentation. And accordingly we were completely taken by surprise when they issued the order fixing the maximum peg at around 35 cents on the Toronto market.

"We decided that the peg at that price was definitely a contradiction of the presentation we made to the Wartime Prices and Trade Board and this explains our positive protest against such action."

DIVIDEND NOTICES

The Bank of Toronto

Dividend No. 238

Notice is hereby given that a **Dividend of Two and One-half** per cent upon the Paid-up Capital Stock of this bank has been declared for the current quarter, and the same will be payable at the bank and its branches on and after the first day of March next, to shareholders of record on February 15th, 1941.

By Order of the Board.

F. H. MARSH,
General Manager.

Banque Canadienne Nationale

Quarterly Dividend

NOTICE is hereby given that a dividend of two per cent (2%) (being at the rate of 8% per annum) has been declared by the Directors of the Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 28th day of February, 1941. This dividend, bearing the number 200, will be payable at the Main Office or at the branches of the Bank, on or after the first day of March, 1941, to the shareholders of record on February 15th.

By order of the Board,

CHARLES ST-PIERRE,
General Manager.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-five cents ($1.25) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 31st March, 1941, payable 1st April, 1941, to shareholders of record 15th March, 1941.

By order of the Board,

L. P. WEBSTER,
Secretary.

Montreal, February 12th, 1941.

FORD MOTOR COMPANY OF CANADA, LIMITED

DIVIDEND No. 53

The Board of Directors has declared a cash dividend of twenty-five cents ($.25) per share, payable on all of the outstanding shares of the company on March 15, 1941, to shareholders of record at the close of business February 22, 1941.

D. B. GREIG,
Secretary.

Windsor, Ont.
February 11, 1941.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three Quarters per cent. (1¾%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 31st March, 1941, payable 15th April, 1941, to shareholders of record 31st March, 1941.

By order of the Board,

L. P. WEBSTER,
Secretary.

Montreal, February 12th, 1941.

THE MONTREAL COTTONS LIMITED

NOTICE IS HEREBY GIVEN THAT A DIVIDEND OF ONE PER CENT (1%), has been declared upon the Common Stock of the Company, and cheques will be mailed on the fifteenth day of March next, to shareholders of record at the close of business on the 28th day of February, 1941.

By order of the Board,

CHAS. GURNHAM,
Secretary-Treasurer.

Valleyfield, February 12th, 1941.

THE MONTREAL COTTONS LIMITED

NOTICE IS HEREBY GIVEN THAT A QUARTERLY DIVIDEND OF ONE AND THREE QUARTERS PER CENT (1¾%), being at the rate of Seven percent (7%) per annum, has been declared upon the preferred stock of the Company, and cheques will be mailed on the fifteenth day of March next, to shareholders of record at the close of business on the 28th day of February, 1941.

By order of the Board,

CHAS. GURNHAM,
Secretary-Treasurer.

Valleyfield, February 12th, 1941.

WANTED:
Richmond Bay 6½s 47
Western Grain 6s 49
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

Higher Costs Cut Profits Of Bakers

Increase in Processing Tax Would Mean Higher Bread Prices

Increase in the wheat processing tax at the present session of Parliament, reported in prospect, would inevitably bring a rise of at least one cent a loaf in bread prices throughout Canada.

Already bread costs have risen through absorption of the present 15% processing tax. Also, an increasing number of bread companies are now absorbing increased costs due to introduction of thiamin or high test vitamin yeast to raise the B_1 vitamin content of white bread. The big Canada Bread Co. chain announced a new high-test vitamin loaf this week.

Proposals now before the Government at Ottawa contemplate a further 35-cent increase in the processing tax. There is also the prospect that the base wheat price will rise to 85 cents.

The bakers point out that since the original 15-cent processing tax was imposed, the price of wheat has risen approximately 8 cents a bushel. Addition of a further 7-cent increase in wheat prices plus a further 35-cents processing tax means 50 cents a bushel over and above the level at the time the original processing tax was introduced.

Justify Cent a Loaf

In terms of a barrel of flour this means an increase of approximately $2.30 per barrel. Since standard practice nets about 190 loaves from each barrel, a price increase of more than 1 cent per loaf would be justified.

Bakers point out incidentally that they could not receive full benefit from any change in price because automatically about 15% of the increase would go to the driver of the bread wagon or truck in the form of commission.

Profit Wiped Out

In the case of a large baking establishment such as Canada Bread, figures presented last year by President C. H. Carlisle showed that at that time actual profit on a loaf of bread was approximately one quarter of a cent a loaf. This profit has now been more than wiped out, it is claimed, by the fact that bakers have been forced to bear the present 15% processing tax.

Actually there is now no prohibition against an increase in bread prices. If an increase in price can be shown to be justified there is nothing to prevent the Wartime Prices and Trade Control Board from granting the increase. However, no baker wants to bell that particular cat if he can avoid it.

Assuming the Government does increase the processing tax to 50 cents there seems little doubt that bread prices will rise. Perhaps this increase may coincide with fairly general use of thiamin (Vitamin B_1) in flour. This programme of flour "enrichment" is becoming a war measure. Both in the U. S. and Great Britain addition of an element to increase the number of B_1 units in flour is looked on as a war or defense measure and one vitally connected with increasing energy and health in a time of strain.

Cost of Enriching

The cost of "enrichment" of flour is stated to be at least one third of a cent a loaf. This week Canada Bread Co. announced that their C B-4 loaf was now being made with high vitamin test yeast, thus giving 600 International Units of B_1 in each loaf. Barker-Bredin Bread Co. announced a high-test vitamin loaf a week ago.

Other factors which have influenced bread sales in 1940 and appear to loom ahead for 1941 are closely tied up with changes in public relief policy, enlistment, increased purchasing power, etc.

DIVIDEND NOTICES

Augite Porcupine Mines Limited

NOTICE is hereby given to all parties still holding shares of AUGITE PORCUPINE MINES LIMITED to send their Certificates to the Chartered Trust and Executor Company, Toronto, prior to March 15th for exchange for shares of AUNOR GOLD MINES LIMITED in order that they may receive the initial interim dividend payable March 29th to shareholders of AUNOR GOLD MINES LIMITED.

J. R. BRADFIELD,
Secretary,
AUNOR GOLD MINES LIMITED.

Aunor Gold Mines Limited

DIVIDEND NOTICE

Notice is hereby given that an initial interim dividend of 4 cents per share, payable in Canadian Funds, has been declared by the Directors of AUNOR GOLD MINES LIMITED payable March 29th, 1941, to shareholders of record at the close of business March 15th, 1941.

By order of the Board.

J. R. BRADFIELD,
Secretary.

Toronto, February 18, 1941.

MACASSA MINES, LIMITED

(No Personal Liability)
DIVIDEND NO. 23

NOTICE is hereby given that a dividend of 8c per share has been declared on the capital stock of the company for the quarter ending March 31st, 1941, and will be payable on March 15th next to shareholders of record February 28th, 1941.

By Order of the Board.

L. SOLIAGUE,
Secretary.

Toronto, February 17th, 1941.

McKenzie Red Lake Gold Mines Limited

(No Personal Liability)
DIVIDEND NO. 17

NOTICE is hereby given that a Quarterly Dividend amounting to three cents per share for the first quarter of 1941 has been declared, payable March 15th, 1941, to shareholders of record at close of business March 1st, 1941.

By Order of the Board.

H. M. ANDERSON,
Secretary-Treasurer.

Toronto, Ont., February 15th, 1941.

Lake Shore Mines Limited

(No Personal Liability)

Dividend No. 84

NOTICE is hereby given that a dividend of Fifty Cents per share, on the issued capital stock of the Company, will be paid on the fifteenth day of March, 1941, to shareholders of record at the close of business on the first day of March, 1941. The payment of this dividend is subject to the approval of the Foreign Exchange Control Board.

By order of the Board.

Kirkland Securities Limited,
Secretary.

Dated at Kirkland Lake, Ontario,
February 15th, 1941.

Week in Wheat

See Extra Profit Nil From Sale of '39 Crop

Wheat Board Report Indicates Substantial Loss With More Crop Yet to Sell — Status of Participation Certificates

Publication of the annual report of the Canadian Wheat Board for crop year ended July 31 last revives interest in the possibility of there being some value in 1939 crop participation certificates. The report establishes a recorded loss with respect to the 1939 crop of over $6 millions, but at the end of the period covered the Board had sold less than half of the 1939 crop, or approximately 160 million bushels. Liquidation of the remainder, a process which quite evidently cannot be completed for a considerable time yet, might materially change the status of the account.

Quoted market prices do not furnish a guide to the outcome, as the Wheat Board is understood to have made sales to the British Government at considerably above current market prices, but even if the final outcome cannot be arrived at now, there would seem to be absolutely no chance of an interim payment on participation certificates.

Legislation Clear

Legislation was passed when the Wheat Board Act was last amended permitting interim payments to be made to farmers, but only out of actually realized proceeds. While the Wheat Board was selling 160 million bushels of 1939 wheat, it completed the sale of 86 million bushels of 1938 wheat, the last of which was only sold in July, 1940. The loss on wheat of that crop was finally established at $62 millions. Most of that was covered by a parliamentary appropriation of $52 millions made last year and the remainder by credit balances arising from earlier Wheat Board operations. While during the 1939-40 crop year sales of 1938 wheat were approximately half of those allocated to the 1939 crop, percentages varied from month to month and it would appear that allocation of sales and, consequently, the determination of results for the different crops, must necessarily have been on an arbitrary basis.

* * *

Exports High

Canadian wheat is moving into export channels at a rate in excess of 4 million bushels weekly. This is a higher volume than has been maintained for any considerable time during the current crop year. When the million bushels weekly for domestic consumption is added disappearance has been equal to, and occasionally ahead of new deliveries. On that account, the total visible supply, although hovering near the 500 million bushel mark, has not yet attained that figure.

In most of western Canada physical movement of wheat is almost at a standstill. The embargo on wheat shipments from country points to the head of the lakes is complete. A few cars are loaded, when extra space at Duluth is made available, or when low grades are shipped direct from country elevators to millers.

* * *

Coarse Grain Tie-up

There is no embargo on coarse grains, but elevator companies are not shipping these because they have already shipped out all their carload quantities of different grades. Farmers, not attracted by the current level of prices, are making very few deliveries. Occasionally an elevator agent will manage, by canvassing, to drum up a little extra business in order to enable to make up a carload shipping quantity along with grain already in the elevator. In the meantime, however, the demand for coarse grains is not very insistent, as commercial operators are delaying efforts to secure quantities for shipment to eastern Canada until various governmental plans are completed for a subsidized freight movement of feed grains to eastern Canada. There are farming areas in Manitoba where feed is scarce, where farmers would buy coarse grains if obtainable, but will not bid prices up enough to bring out further quantities.

* * *

Utilizing Empty Space

Some of the empty space in western country elevators is located in areas of small crop where all grain deliveries to be expected from last year's crop have already been made. The Wheat Board is now encouraging elevator companies to move grain in from other points to fill up this space. Earlier in the year such movements were discouraged as it was desired to make sure that local farmers had first a full opportunity to complete their delivery quotas. Acceptance by farmers of quota arrangements has been much more whole hearted than might have been expected, and all observers report that there has been very little grumbling about regulations.

It begins to be questioned, however, whether regulation of deliveries by quota should be further continued. It is argued that the Wheat Board has given reasonable protection to every farmer in making possible deliveries of wheat up to 15 bushels per acre at practically all points. From now on, during the remainder of the winter, and during and after seeding it cannot be assumed that all farmers will be equally anxious to deliver at any one time, whether because of weather conditions, farm work, road difficulties or other conditions. A few farmers may deliberately hold back wheat deliveries in order to earn farm storage allowed by the Canadian Wheat Board.

* * *

1941 Wheat Policy

The Advisory Committee of the Canadian Wheat Board is again in session in Winnipeg, and is understood to be giving further consideration to recommendations to the Government concerning wheat policy for 1941. Some members are already committed, through other organizations, to recommendations that the Wheat Board initial price basis should be increased for 1941 because of the limited quantities which it is assumed farmers will be able to deliver to already congested elevator space. This, however, is a matter on which decision must necessarily rest with the Government, and no assumption is justified that a recommendation from Advisory Committee would be accepted as a matter of course. On the other hand it is assumed that the Government may leave it to the Wheat Board and the Advisory Committee to determine on what basis quota deliveries may be allocated between different farmers next year.

Reports from Ottawa indicate that some western members of Parliament suggest a new course of action. They are said to be apprehensive of supporting recommendations for a larger Wheat Board price, for fear of imperilling benefits given on an acreage basis to farmers with small crops under the Prairie Farm Assistance Act. They would prefer to see Government assistance to farmers switched still more from a bushelage basis to an acreage basis, with preference given to those with smaller sized farms.

Wheat Prices

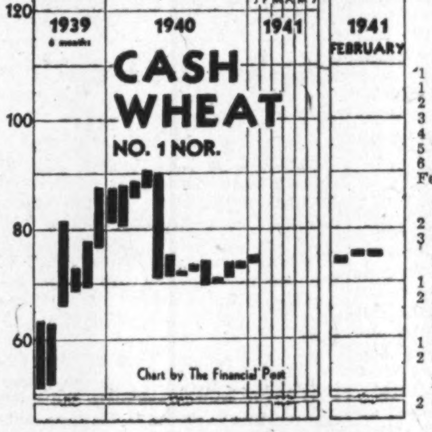


Chart by The Financial Post

Cash Quotations

	For Week Feb. 17		Prev. Week	
Wheat:	High	Low	High	Low
1 Hard	.75⅝	.74⅝	.75⅝	.74⅝
1 Nor.	.75⅝	.74⅝	.75⅝	.74⅝
2 Nor.	.73	.72⅛	.73⅛	.71⅞
3 Nor.	.70	.69⅛	.70⅛	.68⅞
4 Nor.	.67⅞	.66⅞	.68⅛	.66⅞
5 Wheat	.65⅞	.64⅞	.66⅛	.64⅞
6 Wheat	.64⅞	.63⅞	.65⅛	.63⅛
Feed	.62⅞	.61⅞	.63⅛	.61⅝
Oats:				
2 C. W.	.33⅝	.33⅛	.33½	.33¼
3 C. W.	.32⅛	.31⅝	.31¾	.31½
Barley:				
1 Feed	.44⅞	.44¼	.44⅝	.43¾
2 Feed	.43⅞	.43¼	.44½	.43
Flax:				
1 C. W.	1.51⅛	1.49¼	1.55	1.52½
2 C. W.	1.48⅛	1.46¼	1.52½	1.50⅛
Rye:				
2 C. W.	.47¼	.46⅞	.47⅞	.46½

Winnipeg Grain Futures

Week to Feb. 17, 1941

Crop year from Aug. 1, 1940 High	Low		Open Feb. 11	High for week	Low for week	Close Feb. 17	Close year ago
		Wheat					
.78¾	.71⅝	May	.78	.78	.76⅞	.77	.88⅛
.80½	.77½	July	.79⅝	.79⅝	.78½	.78⅝	.89⅛
		Oats					
.35⅞	.26⅝	May	.35	.35¼	.34⅝	.34¾	.40¾
.33⅞	.29½	July	.33¼	.33¼	.32⅝	.33	.39⅝
.32	.30¾	Oct.	.31½	.31½	.30⅞	.31¼	.35⅝
		Barley					
.46⅞	.33⅝	May	.46⅛	.46⅝	.45¼	.46	.54¾
.44⅞	.39⅞	July	.43⅝	.43¾	.42⅞	.43¼	.53⅛
		Flax					
1.63¼	1.16	May	1.55½	1.55½	1.51	1.52	1.96
1.62	1.29½	July	1.50	1.52⅝	1.49⅛	1.50¼	1.94⅝
1.58¼	1.45	Oct.	1.47½	1.47½	1.44¾	1.44¾	1.91
		Rye					
.52	.44¼	May	.49⅝	.49⅝	.48¼	.48¾	.74¾
.51⅝	.47⅞	July	.49	.49¼	.48⅞	.48⅞	.73⅞

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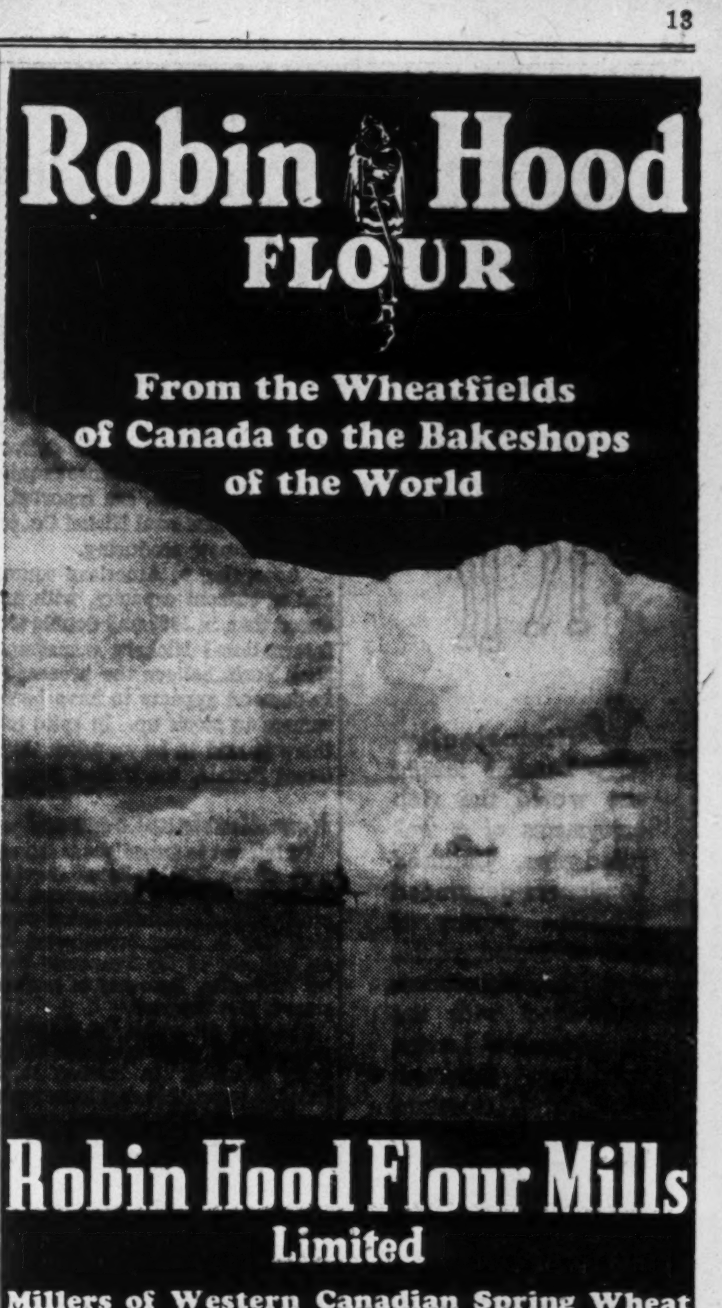

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For many years, friends from Canada have come to Chalfonte-Haddon Hall, in Atlantic City, for days of rest and relaxation.

This year we shall miss you, because of the war and the duties at home.

But our thoughts go out to you, and our best hopes are with you.

We look ahead to the time when we shall again welcome you to the Chalfonte-Haddon Hall family.

Henry W. Leeds
President

Leeds and Lippincott Company

CHALFONTE-HADDON HALL
ATLANTIC CITY

Week in Mining

Report Nickel Demand Ahead of Production

Buying Stated to Be One Third Higher Than Record Current Output From Inter. Nickel's Plants — View Situation as Temporary

Continued pressure for delivery of nickel for regular commercial uses, together with defense requirements of the United States, Canada and Great Britain, are reported to have created a market situation where International Nickel Co. could sell at least a third more nickel than it is now producing.

According to American sources, output is now at a record high, and at current capacity, with probably 50% more nickel being produced than in 1939 and double the amount produced at the 1929 peak. International Nickel's management, according to the reports from New York, believe the present situation is temporary. The "bulge" in demand appears to have been accentuated by a tendency of consumers to stock up. In spite of the increase in demand, however, there is said to be an adequate supply for defense requirements in Great Britain, the United States and Canada.

New Aluminum Source?

Of interest to Canadians is the report of the Whaley-Eaton Service, Washington, that a new process for production of aluminum out of common clay is being investigated by an engineer of the Tennessee Valley Authority. Recovery of magnesium is also reported.

The clay for which the new process can be used, is stated to be quite common. In content it is stated to be equal to aluminum made from bauxite, the present ore of aluminum. Cost of the new process will not be known till later this year, it is said.

With both aluminum and magnesium of key importance for prosecution of the allied war effort, new ore sources could prove of great assistance at this time.

* * *

Seek Cobalt Recovery

Ores from the Hedley, Yale and other mining districts of British Columbia are being treated at the University of British Columbia with a view to finding a process for recovery of cobalt on a commercial scale.

The market for cobalt, extensively used in the treatment of special steels and alloys and in manufacturing of colors, has been given considerable impetus by the war. In the past the principal source of cobalt has been Belgium and Germany, but supplies from those countries are, of course, unobtainable.

While the university's metallurgical staff has been carrying on research with cobalt ores for several years, the situation created by the war has stimulated interest in the experiment and expedited results. Most of the work has been in charge of Prof. Frank Forward.

* * *

Kelowna Interested

Mining men believe that at least one large operating mining company will shortly install equipment for the refining of cobalt along the lines developed by the university's experiments. Kelowna Exploration Co., which has produced more than $25 millions in gold from the Nickel Plate Mine, is known to have extensive cobalt deposits which in the past have been regarded as virtually waste ore because of the lack of a ready market and a method of extracting it profitably.

If cobalt is produced on a commercial scale it will be one more "war metal" added to British Columbia's output. Among the others is mercury, now being extensively mined by Consolidated Mining and Smelting Co. at Fort St. James.

* * *

U. S. Gold Views

In spite of the recent unsatisfactory market performance of gold stocks insofar as American shareholders are concerned, at least one New York brokerage firm—Delafield and Delafield, 14 Wall St.—thinks that gold stocks are good things to put money in.

In a review of Hoestake Mining Co., a big American gold producer in South Dakota, the brokerage firm states as follows:

"Gold stocks are frequently criticized as being an unsatisfactory media for investment during an inflationary period. In addition to the fact that the administration is in a position to prevent inflation from occurring in this country, Homestake is in a relatively strong position to protect itself from rising costs by reason of ownership of its own power production, timber properties and coal mines.

"With our Government committed to the policy of paying $35 an ounce for gold, a high level of earnings for this company would seem to be assured for an indefinite period of time, particularly since no change in this policy is expected at this time. In fact, as our war economy unfolds, there is the possibility that if any change in the buying price for gold should occur, it would be towards higher levels."

As far as power costs are concerned, Canadian gold producers are in at least as good a position as Homestake. Most of the mines have contracts for "life of mine" at fixed rates.

Mining Concentrates

Central Zeballos Gold Mines produced $23,000 in January compared with $18,500 in December. A fair proportion of mill feed last month is stated to have come from development.

* * *

Jason Mines shares were called for trading on the Toronto Stock Exchange on Feb. 19 with ticker abbreviation J. Listing covers 3 million shares of which 2,999,905 are issued. Drifting in January opened up an exceptional large footage of new ore. In the Camrock drift north at the second level of the No. 1 shaft, 90 ft. of ore was opened up averaging $19.29 a ton across an average width of 24 inches. In the 221 sub-drift at the No. 2 shaft, 64.5 ft. of ore averaged $26.33 across 40 inches. On the sixth level of No. 2 shaft 107 ft. of ore averaged $25.69 a ton across an average width of 24 inches. Tractor trains are now moving supplies from Gold Pines to the property. A large inventory will be built up to protect the mine against rising commodity prices, it is stated.

* * *

Kirkland Lake Gold Mining Co. is now putting out a 1,800-ft. drive on its 5,400-ft. horizon toward its western boundary to obtain information for the sinking of a shaft from the 4,400 to the 5,400-ft. horizon, shareholders were informed at the annual meeting in Toronto last week. Good values are stated to have been secured in this work. Rich ore-bearing veins which extend westward into the adjoining rocks south of the main break have become an important feature of the mine and may increase in importance Dr. J. B. Tyrrell, president, informed shareholders.

* * *

Laguerre Gold Mines should have a shaft sunk to a depth of 250 ft. to explore diamond drilling intersections, in the opinion of directors. To finance this work, estimated to cost $75,000, shareholders of record Feb. 2, 1941, are being offered one new share at 25 cents for each share already held, it is stated. Shareholders exercising their rights by Mar. 5 will receive an option on a number of shares equal to those purchased at 50 cents a share good until Dec. 31, 1941. If subscriptions are not sufficient, directors have the right to make whatever other arrangements are necessary.

* * *

Preston East Dome Mines has declared an extra dividend of 2½ cents a share payable along with the regular quarterly dividend of 5 cents a share on April 15, 1941 to shareholders of record March 31. An extra dividend of 5 cents a share was paid with the preceding quarterly dividend.

* * *

San Antonio Gold Mines has declared an extra dividend of 3 cents a share along with a regular dividend of 7 cents a share, both payable April 21 to shareholders of record April 5. The company is acquiring five claims from Wingold with 45,000 shares to be issued to complete payment. This will bring San Antonio's issued capital to 2,393,013 shares.

* * *

Macassa Mines has declared its regular quarterly dividend of 8 cents a share payable Mar. 15, 1941, to shareholders of record Feb. 28.

Production Rises At Gold Fields

With mill capacity increased from 400 to 600 tons daily, Malartic Gold Fields experienced new records for both value of output and tonnage milled in January, J. P. Norrie, general manager, reports. Production totalled $150,449 compared with $109,286 for December and $93,748 for January, 1940.

During January, work carried out included 580 ft. of drifting and crosscutting, 256 ft. of raising, 442 ft. of shaft sinking, 831 ft. of surface drilling and 112 ft. of underground drilling. Two surface holes 1,900 and 2,100 ft. east of the shaft cut excellent structures with low values, it is reported.

Hedley Mascot's Bodies Stand Up

Expectations in Grade and Volume Surpassed Last Quarter of 1940

From Our Own Correspondent

VANCOUVER. — During the quarter ending Dec. 31 Hedley Mascot Gold Mines carried on mining operations in nine different ore bodies, each of which is surpassing expectations in both grade and volume, according to Dr. Victor Dolmage, consulting geologist.

Dr. Dolmage reports that since the last quarterly report development has been confined mainly to completion of the 4,510 raise, which reaches from the 4,500 to the 4,800 level and so forms a connection between the newer low levels and the older section of the mine above the 4,800 level.

Drilling done during the period under review was aimed at testing three different localities. Work done so far does not give sufficient data for a tonnage estimate but, according to Dr. Dolmage, it definitely indicates an important body of ore, the dimensions of which will be determined as mining faces are advanced.

Hedley had a profit of $96,430 after taxes, but before depreciation and depletion, in the final quarter of last year, compared with $69,171 in the third quarter. Profit on the same basis for all of 1940 was $295,753, against $195,329 in the previous year.

Hollinger's Net Ore Supply Up

Shaft Sinking Scheduled on Newton Property This Summer Following Find

Highlights of the annual reports of Hollinger Consolidated Gold Mines for 1940 are as follows:

Net profit equal to $1.18 a share compared with $1.16 a share for the preceding year.

An increase of over 100% in taxes which amounted to $2,302,201.

Ore reserves higher at 7,470,643 tons averaging $13.05 a ton against 7,458,739 tons averaging $13.14 a year previously.

Announcement of an interesting discovery in Newton twp. (under option from Northern Ontario Lands) with shaft sinking to start this summer.

During 1940 Hollinger milled 1,780,377 tons of ore with a total recovery of $16,844,035. In the previous year, recovery was $15,484,394 from 1,700,355 tons of ore, an average recovery of $9.11 a ton.

No. 26 shaft was completed during 1940. The lower levels shaft at the Schumacher end of the mine No. 27, has been extended to from the 2,450-ft. level to the 4,550-ft. level and is now ready for timbering. Main drives on the 4,250, 4,400 and 4,550-ft. levels from the Schumacher shaft have been extended east and crosscuts driven to the ore zone have encountered satisfactory values. The work is stated not to be sufficiently advanced to make any estimates of probable ore.

Profit realized from the Ross mine in 1940 amounted to $171,491 after deduction of taxes and depreciation. Ore reserves showed an increase of almost a quarter of a million tons, totalling 794,743 tons averaging $7.84 a ton with gold at $35 an ounce.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Bullion production ..	16,844,035	15,484,394
Less: Mining charges .	6,350,730	6,219,032
Milling charges	1,068,214	1,115,361
General charges	909,540	959,751
Marketing charges .	168,584	163,955
Workmen's compen..	187,161	124,393
Silicosis assessment.	81,078	84,663
Net oper. earnings ...	8,078,728	6,817,239
Add: Other income ..	260,689	221,339
Profit on assets	24,124	179,644
Young-David. profit	305,771	230,530
Total net earnings ...	8,669,312	7,448,752
Less: Depreciation ...	449,356	303,588
Prop. write-offs ...	68,497	7,457
Props. abandoned ..	54,034	220,687
Taxes	2,302,201	1,054,947
Res. for conting. ...	......	175,000
Net profit	5,795,224	5,687,073
Less: Dividends	5,412,000	5,412,000
Surplus for year	383,224	275,073
Add: Prev. surplus ..	6,698,574	6,423,501
Surplus forward	7,081,798	6,698,574
Earnings per Share and Dividend Record:		
Earned	$1.18	$1.16
Paid	1.10	1.10
Working Capital		
Current assets	4,999,696	4,121,499
Current liabilities	3,085,094	1,887,984
Working capital	1,914,602	2,233,515

Falconbridge Net Shows Big Drop

Results From Loss of Refinery in Norway Early Last Year

Reflecting restriction of the company's operations following loss of its refinery in Norway early last year, earnings of Falconbridge Nickel Mines showed a sharp drop to 8.3 cents a share for 1940 against 60 cents a share for 1939. Before arriving at the net profit figure for 1940, $233,279 was written off for refinery metals lost in Norway.

Due to war conditions, no details are given on production for last year. The shift from the company's refinery in Norway is stated to have involved not only reduction in output but also increase in costs. In Jan., 1941, mine and smelter output was restored to full capacity by additional arrangements for its disposal and this is stated to give some brightness to the present picture.

Little new ground was opened up in 1940 and ore reserves are stated to show little change in tonnage and grade.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Metals sales & other inc.	4,672,248	8,296,069
Less: Marketing exp. .	215,931	328,290
Add: Inventory incr. .	863,601	30,098
Income from oper. ...	5,319,918	7,997,877
Less: Oper. exps.	3,702,753	4,389,410
Outside exploration.	1,234	3,771
Admin. & gen. exp.	75,087	89,368
Oper. profit	1,540,844	3,515,328
Less: Taxes	119,240	381,145
Development w/o ..	83,584	292,831
Depreciation	826,838	831,948
Norway metals w/o.	233,279	......
Net profit	277,903	2,009,404
Less: Dividends	250,319	1,001,276
Surplus for year	27,584	1,008,128
Add: Prev. surplus ...	5,054,802	4,046,674
Adjusts.	43,140	......
Surplus forward	5,125,526	5,054,802
Earnings Per Share and Dividend Record:		
Earned	$0.083	$0.60
Paid	0.07½	0.30
Working Capital*		
Current assets	4,978,402	5,668,931
Current liabilities	277,266	672,009
Working capital	4,701,136	4,996,922

*Figures given for 1940 are exclusive of assets lost in Norway.

AUNOR DIVIDEND

An initial dividend of 4 cents a share has been declared by Aunor Gold Mines, payable Mar. 29, 1941, to shareholders of record March 15.

Week in Oils

New Turner Wells

From Our Own Correspondent

CALGARY.—Alberta's "Old Faithful," Turner Valley, put in the background the past few weeks by the sensational developments in the Princess-Steveville area, reasserted itself again in the news this week. It re-won its place not because of a new sensational oil strike, but because of the expansion of activities in the foothills oil field while the imagination of oil-minded folk was captured by the Princess oil-strike on the plains.

Without much fanfare, three wells have reached completion since the new year, and with just as little fanfare, seven wells have been spudded in to take the places of those going on the producing list.

This week there is an all-time record number of wells making footage in the nation's No. 1 oilfield. Twenty-six wells are now drilling, compared with 19 at this time last year and only 18 in Feb., 1939. In addition, there are 10 wells located or preparing to spud—already more than enough to offset the half-dozen odd wells slated for completion during the next two months.

The field has a somewhat remarkable record for successful completions. Thirty-six wells drilled into the Madison lime during 1940 and not one of them was a failure; 35 reached completion in 1939, and only one was a duster.

* * *

Have Market Now

The oil marketing outlook keeps the money for new Turner Valley development rolling in. Back in Feb., 1939, valley oil wells trickled out a mere 10,000 bbls. per day. At this time a year ago, oil wells were yielding 21,000 bbls. a day, but the prairie refiners couldn't use it and there was a slash to 15,000 bbls. at the start of March.

This year it's a different story. Valley oil wells are now taking out 26,000 bbls. of crude each day. Turner Valley oil is helping to win the war now, and every barrel produced is a dollar and a quarter less to be found for the purchase of airplanes and bombs from the good neighbor to the south.

* * *

C. P. R. Grants Rights

Meanwhile, there's action on the Princess front, and evidence piles up that this spring and summer will witness a tremendous follow-up of the rich Standard Oil strike of Dec. 30.

Headlining this week is news that the Canadian Pacific Railway, owner of petroleum and natural gas rights on a large area south of the Red Deer River and west of the Princess discovery well, has approved several applications for reservations on large blocks of acreage, thus giving the go-ahead signal to Alberta oil companies, syndicates and individuals who have drafted plans for development in the vicinity of the new oil discovery.

In each case, the terms of the reservation require that a certain portion of the acreage reserved shall be leased within 90 days, and that drilling shall get under way within an additional 90 days. Drilling must be under way, therefore, on the reservations just approved before Aug. 15.

* * *

Big Reservations

Largest of the reservations approved this week is that obtained jointly by National Petroleum Corp. and Vulcan Oils. These companies have reserved two blocks totalling 23,390 acres, lying in townships 19, 20, 21 and 22, range 13w4, the nearest being seven miles west of the Princess oil well.

F. P. Byrne has reserved a block of 16,000 acres in townships 17 and 18, ranges 11, and 12w4, the nearest being eight miles due south of the Princess well.

R. A. Brown and associates have reserved 10,880 acres in townships 18 and 19, ranges 12 and 13w4, the nearest being about six miles southwest of the Princess well.

* * *

Other Holdings

Phillips Petroleums Ltd. has reserved two blocks totalling 10,240 acres, including 1,920 acres in township 21, range 13w4, nine miles northwest of the Princess well, and 8,320 acres in township 19, range 12w4, five miles southwest of the well.

Davies Petroleums Ltd. has reserved two blocks totalling 5,293 acres, including 1,280 acres in township 21, range 13w4, about nine miles northwest of the Princess well, and 4,013 acres in township 22, range 14w4, four miles farther to the northwest.

The Scott, McLeod & Bell syndicate has reserved a block of about 12,000 acres in township 21, ranges 13 and 14w4, the nearest being about 10 miles northwest of the Princess well.

* * *

Standard Storage

Meanwhile, Standard of British Columbia is erecting a 5,000-barrel storage tank in the vicinity of the "discovery well" and, during the coming week, will start the first extended production tests of the new producer.

Previous tests were necessarily of short duration because of the limited storage facilities then available. In brief open-flow tests made following acidization, the 3,300-ft. well produced at the rate of 521 bbls. of crude and 12¾ million cu. ft. of natural gas per day. It is not yet known, of course, how much the well could produce efficiently on steady production.

Explore at Depth At Golden Gate

Exploration now under way at Golden Gate Mining Co. is directed towards exploration of the Amikougami Creek structure below "A" fault on the 975-ft. level and determination of the displacement of the ore zone below the fault, according to the company's annual report for the year ended Nov. 30, 1940.

For the second part of the exploration, a crosscut has been carried 500 ft. southwest from the shaft and drilling is stated to be apparently confirming the view that the newly-acquired Crescent Kirkland property contains the faulted section of the ore zone. No estimate is made of ore reserves but the mine manager states that he believes there is sufficient ore to carry the present programme to a successful conclusion.

A loss of $12,380 was experienced in the year ended Nov. 30, 1940; from Feb. 28, 1939 to Apr. 30, 1940, a profit of $3.705 had been realized. A total of 25,551 tons of ore was milled last year with recovery of $255,804, an average of $10.01 a ton.

Income and Surplus Account

	Year ended Nov. 30 1940 $	Feb. 28 1939 to Apr. 30 1940 $
Bullion production ...	255,804	311,704
Less: Marketing	3,348	4,312
Net production	252,456	307,392
Less: Development ...	63,547	78,654
Mining	72,676	73,095
Milling	49,842	61,005
General charges ...	28,068	31,688
Head off. expense ..	11,906	10,062
Operating profit	26,417	52,888
Add: Other income ..	1,249	2,243
Total income	27,666	55,131
Less: Develop. w/o ..	30,797	31,562
Depreciation	9,249	19,864
Net loss	12,380	*3,705
Less: Prev. surplus ..	24,818	†24,613
Surplus forward	12,438	20,908
Working Capital		
Current assets	33,052	55,377
Current liabilities	27,005	24,170
Working capital	6,047	31,207

*Profit. †After adjustments.

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Jason Pioneer Casummit Area

Mortgage Reduced From $185,000 to $30,000 in Less Than Year

After a predecessor company had been forced to give up due to shortage of power and working capital, Jason Mines finally showed that the former Argosy mine in the Casummit Lake area, northwest of Sioux Lookout, could show profits.

Putting down a new shaft, Jason Mines expanded the ore disclosed by the previous company, arranged for a supply of cheap hydro-electric power, and placed the mill once more in operation. With over six months production behind it, Jason has been able to build up its working capital with a mortgage of $185,000 reduced to $30,000. Sufficient money is also in the treasury to liquidate the balance of the mortgage.

A decision has been made to sink the Jason No. 1 shaft to open up further levels. However, work on the present levels of both the No. 1 and No. 2 shafts continues to reveal further ore, much of it high grade. There is around three years' ore ahead of the mill at the present time.

Success of Jason is expected to bring about development of other properties in the area. Already Camrock Mines has arranged for development of its property—which adjoins Jason—from the Jason workings. The Camrock vein system is the same as that which is found at the Jason No. 1 shaft area with a surface diamond drill hole returning a value of approximately $20 a ton on the boundary. Surface exploration has given interesting results in several parts of the Camrock property, it is stated.

Quebec Maps Mining Areas

The Quebec Government continues its programme of mapping mining areas as an assistance to prospectors and mining men. Three preliminary reports have just been issued covering field investigations carried out by the Division of Geological Surveys of the Quebec Bureau of Mines.

When Dr. B. C. Freeman, in charge of a party investigating the Opaoka River area died of a heart attack, investigations were continued and completed by J. M. Black, his assistant. The Opaoka River area lies in Abitibi County, between the Lake Matagami and Bruneau areas. The other two surveys the Gaspé Peninsula and the North Shore of the St. Lawrence.

Nova Scotia Now Adding Barite to Mine Output

With the announcement that Springer Sturgeon Gold Mines will erect a 100-ton mill to treat barite ore found in Nova Scotia, Canada's great coal mining province, Nova Scotia, appears about to produce this new mineral.

Output of barite is to be marketed in Trinidad, where it is used in drilling of oil wells.

Manganese and tungsten prospects of Nova Scotia have been resurveyed since the outbreak of war, and possibilities for commercial production of both these metals are now being investigated by Ontario mining interests. There are numerous showings of both these metals in Nova Scotia and it is hoped that sufficient concentration of values will be found to warrant a mining operation.

Since the outbreak of war, coal mines of Nova Scotia have been particularly active. In view of the great demand of the iron and steel industry caused by the war, it seems that the coal output will continue at its present high peak at least until the cessation of hostilities.

Guysborough Mines, a gold mining operation, paid its first dividend last year. There was very little new activity in the development of gold mines in Nova Scotia last year, however. Chief interest now centres in manganese, tungsten and barite possibilities.

Hydro lines expected to be completed about March 1st. Test mill purchased and part already delivered at the property. The property is expected to be ready for production on a permanent basis by August.

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New Helen and Steep Rock Hold Iron Mine Spotlight

Canada's iron ore industry can boast one producing mine in the New Helen mine of Algoma Steel Corp, and one prospective producer of large tonnages of hematite iron ore in Steep Rock Iron Mines which controls an iron range underlying the waters of Steep Rock Lake, near Atikokan, Ontario.

The New Helen mine has a current output of 300,000 tons of sintered product a year with the possibility that output will be increased to 450,000 tons in the current year. Exploratory drilling is being carried on.

Drilling carried out through the ice of Steep Rock Lake, from the shore and from a shaft put down, has indicated a great tonnage of iron ore in three ore bodies running approximately 55 to 60% iron with the A ore body alone estimated to contain 100 million tons.

Officials of the company are now arranging finances for the mining of the indicated iron ore by surface steam-shovel methods. This is expected to give low costs to offset the large expenditure involved in preparation of the ore for mining by this method. Unofficial figures running into millions of dollars have been given for the possible cost of draining off Steep Rock Lake and clearing overburden. A million dollars, however, would only be a cent a ton on a 100 million tons of ore.

At the present time some diamond drilling is being carried on to outline more fully the ore bodies on which a tremendous amount of drilling has already been completed. Assay of drill cores has not revealed any undesirable impurities in the ore, it is stated.

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Mining Enquiries

Privateer Mine

How have operations been going at Privateer Mine recently? Any comments you can make on the company's present status will be appreciated.

Opening up of high-grade ore in the No. 2 vein at depth has improved the position of Privateer Mine considerably. The company's main vein has been opened up down to and including the bottom level, but values have shown great diminution at depth although width of the vein has been better. The No. 2 vein is now serving to offset this decline in importance of the original vein at depth.

Extra dividends have been declared along with the last two quarterly dividends of 3 cents a share and from ore being developed it seems that the company will likely be able to continue its present dividend policy for some time to come at least. Of course, ore reserves in the proved category are not great at a high-grade mine such as Privateer. Production in December totalled $104,125, compared with $94,094 in November

Broulan Porcupine

Please outline for me the position of Broulan Porcupine Mines in respect to earnings, ore reserves and prospects in general.

Broulan Porcupine Gold Mines continues to show profit at a rate of approximately 25 cents a share per annum after all charges except federal and provincial taxes. As dividends only require 12 cents a share per annum (if they are continued at this rate), there is a good margin of profit to take care of the financing of development at Bonetal Gold Mines which is being carried on by the company. If Broulan exercises all its agreements on Bonetal, it will hold something over 1,000,000 shares. In spite of the milling of a large tonnage of ore this year, it is believed that Broulan ore reserves have been maintained at close to four years' milling requirements.

Shaft sinking at the property of Bonetal Gold Mines will now reach its objective of 600 ft. around next April and lateral exploration will then get under way. Diamond drilling carried out on the Bonetal property disclosed two ore zones. The most important has an indicated length of 1,150 ft., while the second zone—believed to be the extension of the Halnor zone—now has an indicated length of 560 ft. from drilling completed. Ore from Bonetal may be treated at the Broulan mill when development reaches this stage.

Hudson Bay Mining

What is the position of Hudson Bay Mining & Smelting Co.? Do fixed metal prices mean that the company can't work ahead?

While Hudson Bay Mining & Smelting Co. is receiving relatively low prices for its output of copper and zinc under its contract with the United Kingdom Government, operating profit has been gradually expanded through enlargement of the company's milling facilities. After allowing for greatly increased taxes, net earnings for the nine months ended Sept. 30, 1940, amounted to $1.49 a share compared with $1.35 a share in the corresponding period of 1939.

Exploration of the Hudson Bay mine at depth has revealed the strong downward continuation of good grade ore and this has no doubt played an important part in the management's gradual increase in milling capacity. During the present year, it is expected that the milling rate will be worked up still further to perhaps 6,000 tons a day.

Naybob Gold Mines

What can you tell me about the present programme being undertaken at Naybob Gold Mines?

Naybob Gold Mines is now engaged in gradually increasing its capacity from 150 to 400 tons daily. During the last year the company has been successful in both increasing tonnage of ore milled and the average grade of ore treated. Operations have been placed on a profitable basis and dividends were initiated around the end of last year.

From present indications it appears that the company plans to maintain dividends at the rate of 4 cents a share per annum in quarterly distributions. Current operating profits are believed sufficient to maintain this rate.

Improvement in the company's position, of course, is primarily due to new ore developed over the last two years. Several new veins have been discovered and their grade is much better than that of ore previously disclosed. If the company can maintain the same grade of ore in treating 400 tons daily, operating profits may show a sharp increase.

Municipal Finances

Burnaby, B.C.—Resumption of interest payments by the district of Burnaby is indicated by the acceptance of the municipality's reorganization plan by debenture holders. Following approval by provincial authorities, the reorganization will go into effect as of Jan. 1, 1941. The plan calls for the exchange of existing debentures, on which interest charges average 5½%, for new 25-year securities on which interest will be paid at 2½% for the first five years, 3½% for the next ten years and 4% for the final ten-year period.

* * *

Calgary, Alberta—Total cash receipts of the city of Calgary amounted to $6.35 millions in 1940. Expenditures for the year amounted to $6.25 millions, leaving a surplus for the period of $100,000. Included in expenditures are all operating expenses together with bank, debenture and treasury bill interest and exchange and $181,000 paid to sinking fund for debenture redemption.

* * *

Lunenberg, N.S.—Current tax collections for the town of Lunenberg amounted to 94.2% of the 1940 levy, it is reported. Total collections of current and arrears taxes amounted to 101.85% of the levy in 1940 against 101.56% in 1939. Bond maturities of $40,000 were met during the year, leaving gross debenture debt of $274,500. The town's sinking fund ended the year at $114,159, leaving net debt at $160,000.

* * *

Moose Jaw, Sask.—In a report prepared by the Moose Jaw Board of Trade, city finances are shown to have improved in 1940. Collections of current taxes amounted to 91% of the current levy in 1940, compared with 85.8% in 1939. Building permits rose from $77,354 in 1939 to $1,233,308 in 1940, the highest level since 1930. The establishment of an air training school to the south of the city was a major factor in increasing building activity.

* * *

London, Ont.—Surplus of $100,000 over the amount anticipated in London's budget for its pubpublic utilities commission is indicated in early figures for 1940. Total surplus for the year is estimated at $143,000, of which some $43,000 had been anticipated in the budget. The increase is attributed to a rise of $60,000 in the profits of the waterworks department and $40,000 in the operations of the London & Port Stanley Railway.

* * *

Winnipeg, Man.—Recent sale of $950,000 in 3½% 10-year debentures by the city of Winnipeg will refund part of the $1 million in 3% debentures sold to the city sinking fund in 1936 for financing unemployment relief. The balance of $150,000 is being met in cash. Offer of a local insurance firm to take $350,000 of the new issue was accepted, the balance of the issue is understood to have been taken by the sinking fund.

* * *

Vancouver, B.C. — Financial progress is reflected in the following figures provided by Wood, Gundy & Co.:

	New assets represented by bldg. permits $	New tax contributors represented by population increase $	Reduction in net debt, including bank loans per year $
1935	3,892,665	3,229	125,000
1936	4,641,545	5,805	865,000
1937	6,760,880	6,624	1,137,000
1938	8,224,300	3,987	1,006,000
1939	6,253,796	5,480	1,265,000
1940	8,053,725	2,898	1,607,000
Total ..	37,826,911	28,023	6,005,000

In 1941 a further $2,450,119 of bonds is to be retired without any new borrowing.

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THE ROYAL BANK OF CANADA

Yellowknife Bright Spot in N. W. T.

Tungsten Added This Year To Area's Gold Production

Although suspension of active mining by Eldorado Gold Mines in 1940 at Great Bear Lake was a severe blow to North West Territories mining, it was offset at least in part by growth of mining operations in the Yellowknife area.

During 1941, it appears that Yellowknife will experience still further growth. Power is now available from the big hydro-electric plant of Consolidated Smelters—an important development. Power will serve a twofold purpose: reduction of mining costs and supplying of power for more extensive mining activity.

Slave Lake Gold Mines was brought into production in the southern part of the Yellowknife area about a month ago, adding tungsten to the area's gold production. A mill is also being erected on the property of Thompson-Lundmark Gold Mines while a still further mill is mooted for the Ptarmigan property. At present there are four producers in the area—Con, Rycon (which uses the Con mill), Negus and Slave Lake Gold Mines. The Con and Rycon properties are owned by Consolidated Smelters which also has a substantial interest in the Thompson-Lundmark property.

Active exploration has been carried on throughout the Yellowknife area the last year. Many finds have been reported. The most advanced operation is that of Mercury Gold Mines 160 miles northwest of the Yellowknife area proper.

B.E.A.R.

Chief interest in Bear Exploration and Radium Ltd. at the present time lies in operations of Giant Yellowknife Gold Mines which it controls. Giant is taking a small mill into its property to treat high-grade ore.

Ore shipments have been made from the Giant property for treatment outside with the very high-grade character of the ore more than paying the transportation charges.

Capitalization

Common ..	4,000,000 sh.	4,000,000 sh.	$1

Price Range

	High $	Low $
1940	0.15	0.02⅝
1939	0.32	0.05

Eldorado

In view of reduced demand for radium through the cutting off of the European market, Eldorado Gold Mines decided to close down its gold mine at Great Bear Lake around the middle of last year. However, refining operations at the company's Port Hope refinery in Ontario have been continued with supplies of uranium-radium concentrates available estimated to be sufficient for three or four years of refining.

By discontinuing operations of the mine, heavy inventories of concentrated ores and partially processed material can be liquidated, while not having to meet the costs of mining. This is expected to allow the company to pay off some of its liabilities and to improve the company's financial position.

No details are as yet available on results of operation in 1940. In the preceding year, the company realized a profit equal to 3.9 cents a share.

Production of uranium is now approaching in importance the company's production of radium, it is stated. Uranium is used in the coloring of pottery.

Capitalization

	Author.	Outstand.	Par
Common ..	4,000,000 sh.	3,906,046 sh.	$1

Price Range

	High $	Low $
1940	1.23	0.21
1939	2.36	0.75

Negus Mines

Although the company must operate under some handicap in an area as far removed as Yellowknife, Negus Mines has been able to establish highly profitable operations with net profits for the year ended July 31, 1940, equal to 13.1 cents a share. With working capital position being steadily built up, it is anticipated that dividends will be initiated shortly.

Negus treats a relatively small tonnage of high grade ore after sorting out a considerable amount of material as waste. There have been reports that mill capacity would be increased this year but nothing official has yet come out. Exploration in the southern part of the company's property is understood to be giving encouraging results and the ore picture of the mine is expanding. Sinking of the shaft to the 500-ft. horizon last year gave further levels for development.

Costs are expected to drop considerably this year with hydro-electric power available from the plant of Consolidated Smelters.

Capitalization

	Author.	Outstand.	Par
Common ..	3,000,000 sh.	1,997,000 sh.	$1

Slave Lake

Commencement of production this year at Slave Lake Gold Mines means not only a greater production of gold from the Yellowknife area but an output of tungsten too for the tungsten content of Slave Lake ore is just as important as the content of gold.

Financing of construction of the company's 50-ton mill was arranged through sale of $100,000 of 6% three-year bonds.

Development recently has given encouraging results on the bottom level at 425 ft. depth. The main vein has been picked up there after being missed in earlier work.

Capitalization

	Author.	Outstand.	Par
Common ..	3,000,000 sh.	*2,222,000 sh.	$1

*Dec. 21, 1940.

Price Range

	High $	Low $
1940	0.15	0.02½
1939	0.13½	0.02½

Thompson-Lundmark

Construction of a 125-ton mill is expected to proceed rapidly at the property of Thompson-Lundmark Gold Mines during this summer with Consolidated Mining and Smelting Co. providing the necessary finances.

While construction of the mill is being undertaken, development is being continued. High-grade ore is showing on each level in the Fraser vein, the vein which is receiving most of the attention at present. At the 450-ft. level, a length of 317.5 ft. of ore averages 1.12 oz. per ton across an average width of 1.43 ft. A considerable tonnage of ore has also been developed from a shaft put down for two levels on the Kim vein.

Capitalization

	Author.	Outstand.	Par
Common .	3,500,000 sh.	2,962,131 sh.	n.p.v.

Smelters across Canada are working at capacity in the war effort. Sunshine and glow of red hot metals compete in this striking photograph.

The Mining Industry of the Province of Quebec is proud to contribute to Canada's War Effort.

Geological investigations, by helping prospectors and development work have made this contribution possible. The Department for many years has given valuable assistance to Quebec's Mining Industry; detailed investigations of mining are carried on, and regional geological mapping delimits areas favourable to prospecting for minerals.

Copies of geological reports and maps are obtainable on request.

PROVINCE OF QUEBEC

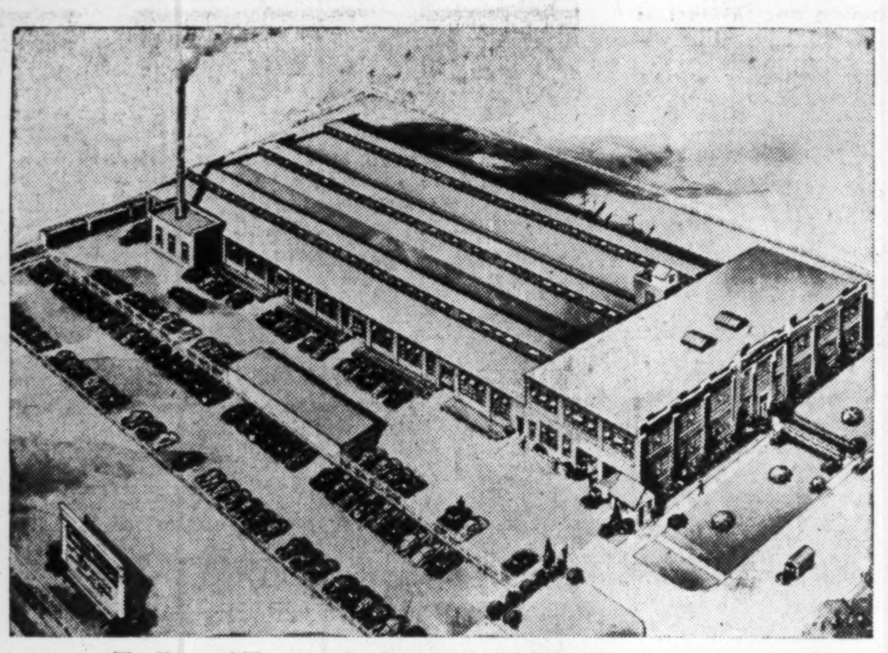
Department of

LABOUR, MINES AND MARITIME FISHERIES

(BUREAU OF MINES)

Hon. Edgar Rochette, K.C., Minister

A. O. Dufresne, Director



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Thompson LIDDICOAT Detachable Drill Bits

FOR PARTICULARS WRITE: Thompson Products, Ltd.

ST. CATHARINES, ONTARIO, CANADA

SUPPLIERS TO THE AUTOMOTIVE, AIRCRAFT AND MINING INDUSTRIES

Uniform Rulings For Oil Royalties

New Regulations Encounter Criticism As Well As Praise

Uniform regulations for financing of oil wells drawn up by securities bodies of British Columbia, the Prairie Provinces and Ontario, were announced by R. B. Whitehead, Ontario Securities Commissioner, late last week.

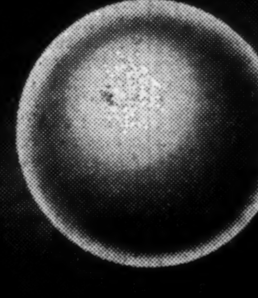
Opinions are divided as to the entire effectiveness of the new regulations. In some quarters, it is held that a step has been taken in the right direction, but others fear new well financing may be handicapped.

Sales of oil royalties in the provinces mentioned now calls for the following minimum requirements among others:

1. Disclosure of the nature of the royalty offered, and the investor to be told oil royalties are speculative, requiring allowances for capital return.
2. Approval of an issue by the local provincial authority before authorization of sale will be given in other provinces.
3. Appointment of a trustee to handle each oil royalty with statements of receipts and disbursements to be issued.
4. Preference on preferred net royalties to be not less than the original offering price.
5. Deferred net royalty certificates to be placed in escrow until a well is fully financed.
6. Gross royalties not to total over 25% if a well is financed by sale of preferred net royalties.
7. Operations to be commenced only when there is a firm undertaking to complete a well.
8. Commission on oil royalties' sale not to exceed 20% of offering price.

Criticism of the new regulations has come from Frank Lawson, of Moss, Lawson & Co., Toronto brokerage firm, who takes the view the escrow of deferred net royalties until completion of a well's financing is not enough; that deferred royalties should be escrowed to completion of the well. It is also suggested that landowner's royalties and overriding royalties, commonly known as gross royalties, should also be escrowed (as vendor interests) until wells are completed so that they will not interfere with well financing. Mr. Lawson believes that much money may at present be taken up in the purchase of deferred and gross royalties in wells not yet in production. This might be used to better advantage in the drilling of still more wells, he states.

Questioned on the same subject, Cecil Hamilton, Toronto manager of Clifton C. Cross & Co., stated that present arrangements covering deferred net and gross royalties had not been found to give difficulties in well financing. Gross royalties in many cases had to be issued to ensure the original deal for drilling a well. No difficulties had been experienced with dumping of deferred net royalties "queering" financing of a well. Many of these deferred royalties are usually held by the financing firm which must undertake to complete a well.



WHEAT FROM THE CHAFF

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HULL STEEL FOUNDRIES LIMITED

THE FINANCIAL POST
Toronto, February 22, 1941

National Mining Number

Canada's Mighty Mines Bulwark of War Effort

This is a metals war — and Canada's mines are playing a major rôle.

Richly endowed by nature, developed by pioneers, Canada's mining industry has quickly geared itself to the nation's war effort. The great variety of minerals produced has meant a freedom from dependence on foreign supplies in almost every direction.

Gold—the only Canadian metal which does not find a place directly in the manufacture of military equipment—is proving of supreme value for purchase of key war essentials in the United States.

If Canada's mineral production were of importance at the beginning of the war, that importance is many times as great now. For Empire consumption of metals is soaring spectacularly and a great United States arms programme adds new and huge demand.

Last year mineral production reached over half a billion dollars, well above the $475 millions for the preceding year. Gains were shown by all but a few of the 50 minerals produced in commercial quantities in Canada. And much of this huge supply went to the Mother Country at prices substantially below world levels. By far the greater part of Canada's metal production now comes in the refined form—a very important factor at this time.

Last year with the Dominion Government asking gold mines for the greatest possible output, $203 millions of new gold was produced—nearly $20 millions more than in the previous year and close to five times the output of only a decade ago.

This year is expected to see an even greater gold output. Production of $220 to $230 millions is well within the realms of possibility. The Dominion Government has offered to "bargain" with mines (producing and prospective) to secure an even greater gold output. This may prove an important factor in increasing output. Favorable tax treatment is the inducement being offered.

During 1940 some 16 companies were added to the roster of Canadian gold producers against 25 the preceding year. Further producers have been added this year.

Base metal production probably approached gold production in dollar value last year. While wartime secrecy hides details, expansion of refining facilities suggests that new production records were set up for most, if not all, the major base metals produced.

Strategic importance of our zinc producing and refining industry has increased tremendously since the Blitzkreig of last spring. Previously an important part of the world's zinc refining capacity was in Belgium. Canada, as one of the few large remaining zinc refiners, is now playing a vital part in the war effort. If this country could not produce its own refined zinc, our war effort would be seriously hindered.

Our output of copper is equally important. Need is so great that copper ingots are being shipped from refineries while still hot. And copper demand has by no means reached its peak.

Nickel, of course, holds a unique position in the world metal picture today. Here is where democracy holds a trump card. Canadian control of nickel is one of the chief reasons for believing that Great Britain can win in the struggle for superiority in military equipment.

While low fixed prices have meant cheap metal for armaments, they have unfortunately meant the doing away with all interest in developing new base metal properties to the production stage. Even in Canada there are other base metal mines that might be operated at present world prices for metals. Special inducements have been offered for greater gold production; special inducements for greater base metal production may be even more important before the war is over.

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New Porcupine Mines Win Their Spurs

Prove Real Ability to Earn And Pay Handsome Dividends

Highlight of activity in the Porcupine area in 1940 was the outstanding way certain "junior" members of the area blossomed forth with impressive ore disclosures and increased production.

In fact some of the most important gold mining developments in Canada took place in that area. Preston East Dome, for instance, stood out with greater production and profits while diamond drilling indications showed great tonnages of new ore awaiting development at depth. Aunor—on the camp's southern belt—more than lived up to advance expectations. Delnite adjoining showed still further growth. Over to the northeast in the Pamour area, Broulan Porcupine established itself an exceptionally profitable operation, started dividends, brought a new mill into operation and commenced development of an adjoining property, Bonetal.

In the far south sector of the camp Naybob Gold Mines was able to both expand output and start dividends. De Santis, too, found better results at depth and operations seem more firmly established than ever before.

Taken altogether, these developments were of the first importance to Porcupine. They provided encouragement for continued exploration at many other properties. Hoyle Gold Mines was brought to the production stage under the aegis of Ventures Ltd. Failure to find ore at depth at Moneta Porcupine was perhaps the most disappointing feature as far as the younger mines were concerned, but even this had appeared likely a year before.

Preston East Dome

There were two developments of major importance in the Preston East Dome picture in 1940. First was the decision to step up mill capacity from 400 to 500 tons daily early in the year with an ultimate increase to 1,000 tons daily expected. The second development came in October, when diamond drilling on a series of new levels from 800 to 1,425 ft. depth gave impressive results with ore widths up to 170 ft.

Some time must elapse before development of the new lower levels by crosscutting and drifting can be completed, but from present indications ore news of the first importance may be in the making. After these new levels have been prepared for regular mining officials will be in a better position to make a decision on a further increase in mill capacity. At the end of 1939 there was approximately four years' ore ahead of the mill.

At the current rate of production profits are understood to be running over 40 cents a share, or slightly better than last year. Dividends are being paid at the rate of 20 cents a share per annum with an extra dividend of 5 cents a share paid on Jan. 15, 1941.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	3,000,000 sh.	$1

Price Range

	High	Low
1940	$3.70	$1.30
1939	2.40	1.10

Aunor Gold Mines

With production commencing a year ago Aunor Gold Mines is treating a grade of ore just as high as preliminary development indicated. Costs have not been excessive, and the mill has been consistently treating more than its rated capacity of 300 tons daily.

Production recently has been showing the effects of the company's decision to step up output to increase the country's supply of foreign exchange in wartime. With the 300-ton mill now treating around 410 tons daily, output has been increased to approximately $145,000 monthly.

Earnings are believed to be running much more than the 30 cents per annum which was unofficially predicted before milling started. However, it must be realized that over a long term the company may not be able to maintain as high a grade of mill feed as at present.

Aunor is controlled by Noranda Mines.

Capitalization

	Author.	Outstand.	Par
Common	2,000,000 sh.	2,000,000 sh.	$1

Price Range

	High	Low
1940	$2.68	$0.91
1939	2.87	1.65

Delnite Mines

During 1940 there was a continuation of the steady growth which has characterized operations of this mine since production was commenced back in 1937. Mill capacity was increased to approximately 400 tons daily last September and it is anticipated that current production will be the best in the company's history.

A feature of development in 1940 was opening up of ore on each of four new levels extending at 125-ft. intervals below 1,000 ft. depth. Like its parent, Sylvanite Gold Mines, Delnite does not publish a figure on other than broken reserves of ore ahead of the mill.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,978,767 sh.	$1

Price Range

	High	Low
1940	$1.35	$0.57

Hallnor Mines

Exploration by diamond drilling of new levels at 1,100 to 1,500 ft. depth at Hallnor show ore comparable with that on the upper horizon, but with a somewhat lower average grade. For a time it was thought that average grade of mill feed might have to be dropped from $18 to $15 a ton, but discovery of some new high grade at the upper horizons has allowed mills heads to be maintained at the higher level.

Earnings for the first six months of 1940 were equal to 35 cents a share compared with 41.6 cents a share in the same period of 1939. No great change is expected for earnings in the last half of the year.

Hallnor Mines is controlled by Noranda Mines.

Capitalization

	Author.	Outstand.	Par
Common	2,000,000 sh.	2,000,000 sh.	$1

Price Range

	High	Low
1940	$7.75	$5.00

Broulan Porcupine

The new 300-ton mill of Broulan Porcupine Mines commenced operation late last October, just about a year after milling operations were first started in the leased mill of Mace Gold Mines. Milling at the Mace gave not only a sufficient profit to pay for the entire cost of the mill — amounting to over $300,000 — but allowed the company to pay two dividends of three cents a share each last year.

With current earnings, after all charges except taxes, running close to 25 cents a share per annum, the present dividend rate of 12 cents a share appears quite conservative. Due to profits running considerably higher than current dividend requirements, the company has been able to undertake the financing of Bonetal Gold Mines, details on which are given below. If Broulan exercises all its agreements on Bonetal shares the company will have over one million Bonetal shares on completion of financing. Broulan Porcupine has agreed to consider treatment of Bonetal ore when the production stage is reached. It is understood that the Broulan mill allows for expansion.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,694,005 sh.	$1

Price Range

	High	Low
1940	$0.99	$0.28
1939	0.75	$0.19

Bonetal Gold Mines

Results obtained in surface diamond drilling make exploration at Bonetal Gold Mines one of the most interesting items of mining exploration under way in eastern Canada just now. Drilling carried out revealed one ore zone with a length of 1,150 ft., while a second zone—the continuation of the adjoining Hallnor zone—has been outlined by drilling for a length of 560 ft. To develop these two zones a shaft is now going down to an objective of 600 ft. with levels to be established at roughly 125-ft. intervals from 150 ft. down. Completion of shaft sinking is expected next April, when lateral exploration is expected to get under way at several levels.

Most of the money for the present programme of development is being put up by Broulan Porcupine Mines, which has agreed to consider treatment of Bonetal ore in its own mill.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	*1,910,505 sh.	$1

*Nov. 30, 1940.

Many mines might not be paying dividends today if it were not for their ability to sort out waste rock from ore as pictured above. Broken ore is first passed under a jet of water.

Faymar Porcupine

Commencing production in March, 1940, with a 200-250-ton mill, Faymar Porcupine Gold Mines is now working on retirement of a $400,000 5% first mortgage bond issue used for erection of the mill.

The company ore has averaged around $8 a ton, leaving a fair margin of operating profit. Retirement of the bond issue has already been started with the payment to be made every three months out of 40% of net profits set aside for sinking fund.

Financing of operations was carried out by the Fisher interests of Detroit.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	3,000,000 sh.	$1

Hoyle Gold Mines

First new Porcupine producer in 1941 was Hoyle Gold Mines, which turned over its mill the latter part of January. Mill capacity is 300 to 400 tons daily, one of the largest initial tonnage units installed in the Porcupine area for some time.

Development of the Hoyle property has been carried to a depth of 1,800 ft. with most of the underground work concentrated at 400, 600 and 1,800 ft. depth. Work completed shows approximately 1.3 million tons of ore available averaging $4.70 per ton above the 700-ft. horizon. Taking a higher average grade, reserves are estimated at 541,600 tons averaging $6.33 a ton.

Sorting equipment will be used to eliminate low values and this may serve to raise millheads above those reported for ore reserves. With ore widths running wide it is estimated that mining costs will be low. It is hoped that costs of $3.25 a ton or less can be obtained.

Financing of mill construction was arranged partly by an offering of rights to shareholders, partly by a bank loan.

Capitalization

	Author.	Outstand.	Par
Common	5,000,000 sh.	5,000,000 sh.	n.p.v.

Pamour Porcupine

There has been little change in the tempo of mining operations at Pamour Porcupine Mines the last year. Average grade of ore treated has been increased slightly, but as far as earnings are concerned this has been offset by the fact the company no longer secures exemption from taxation as a new producer. After all charges, earnings last year probably showed no great change from the previous year, when 13.5 cents a share was earned.

Exploration is now proceeding on the 400, 600 and 1,600-ft. levels to investigate further ore possibilities. By now the company is probably in the general neighborhood where Broulan Porcupine Gold Mines has been getting its ore.

Noranda Mines is understood to retain over 50% of Pamour's outstanding capital stock.

Capitalization

	Author.	Outstand.	Par
Common	5,000,000 sh.	5,000,000 sh.	n.p.v.

Price Range

	High	Low
1940	$2.35	$0.80
1939	4.75	1.65

Moneta Porcupine

Although exploration for ore at depth has not yet been attended by success, Moneta Porcupine Mines is understood to have maintained its ore reserve position fairly well since last March when there were two years ore ahead of the mill. The search for new ore has not been given up and two drills are now working on exploration underground. Exploration is being carried to the west and southwest in sections of the property covered by overburden at surface.

Earnings in 1940 were close to 20 cents a share, practically unchanged from the previous year. Dividends were continued at the usual rate of 12 cents a share per annum. With a good margin of profit above dividend requirements, working capital is understood to have been increased to over a million dollars or 40 cents a share on the company's outstanding capital stock.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,543,860 sh.	$1

Price Range

	High	Low
1940	$0.93½	$0.37½
1939	1.45	0.65

Naybob Gold Mines

Last year was one of steady growth for Naybob Gold Mines. Production was gradually increased following the development of new ore and regular quarterly dividends have been started with an initial payment of one cent a share on Jan. 15, 1941, to be followed by a similar dividend on April 15.

The company has now embarked on an expansion programme which will result in bringing the mill up from 150 to 400 tons daily. Development is also to be carried to 1,500 ft. depth although exploration at the upper horizons has been successful in locating two new ore bodies recently. Officials anticipate that working capital on hand and current profits will take care of both expansion and dividend requirements.

Capitalization

	Author.	Outstand.	Par
Common	5,000,000 sh.	4,370,309 sh.	$1

Price Range

	High	Low
1940	$0.37¾	$0.12
1939	0.51¼	0.08½

De Santis

Exploration at the property of De Santis Porcupine Mines in the latter part of 1940 gave definite encouragement at depth and it appears that the company may now be in the best mine position since milling operations were commenced in May, 1939.

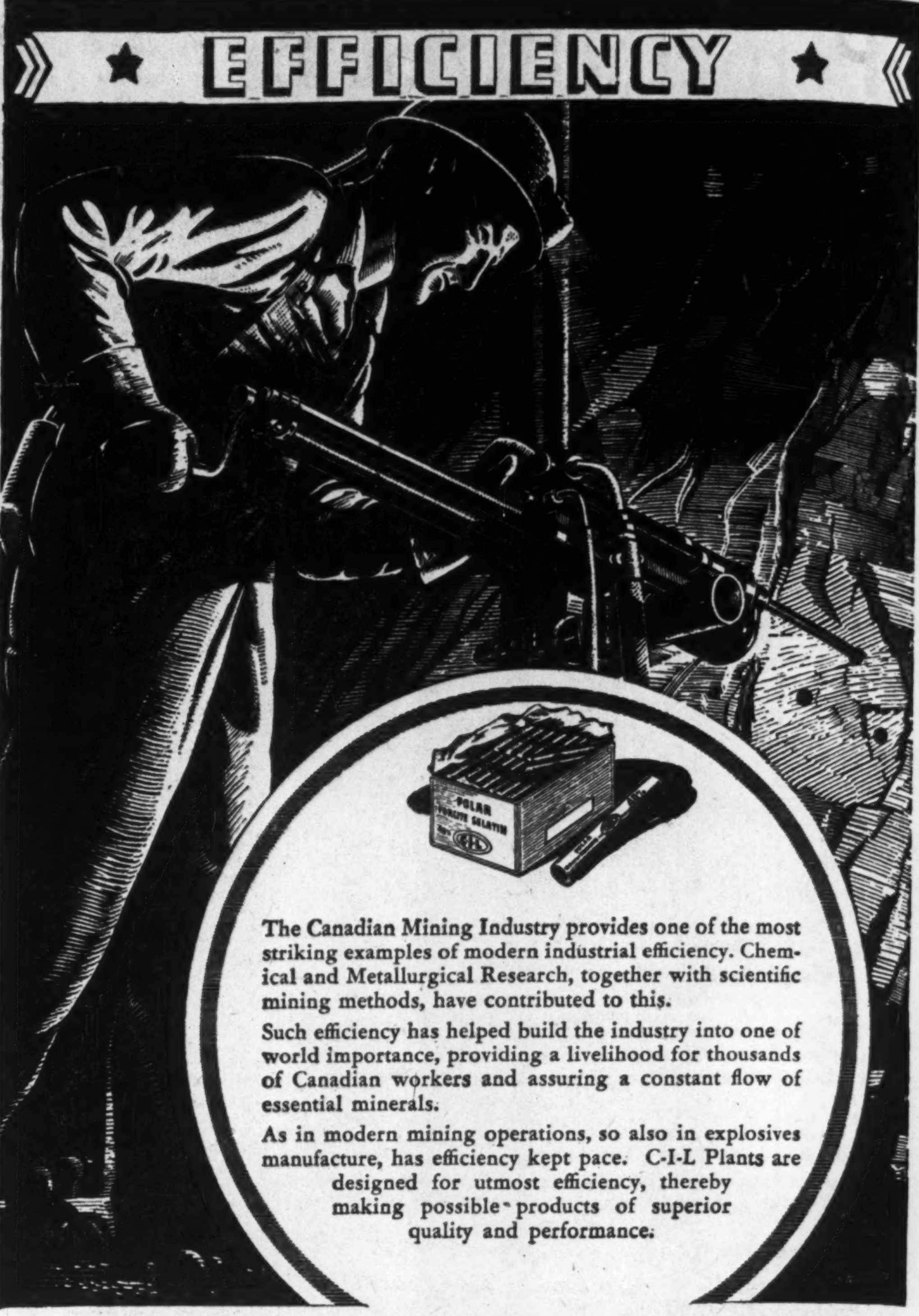
Mill construction was partially financed by borrowing and at last report there was a considerable balance remaining to be paid. However, with production results showing improvement, operating profits are believed to be higher and indebtedness may be cleared up more rapidly than appeared possible in less than six months ago. Milling continues at the rate of 160 tons daily.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,908,163 sh.	$1

AQUARIUS PORCUPINE

Test drilling is stated to have been completed by Aquarius Porcupine Mines to determine most suitable location for its shaft. Sinking to a depth of 500 ft. is expected to start by Mar. 1 on a contract basis. Maximum overburden was found to be 110 ft.



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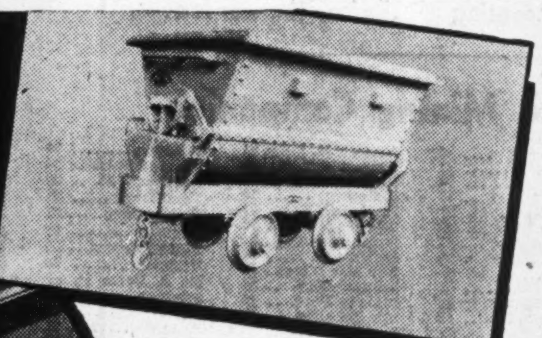

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Copper-Gold Rouyn, Noranda.

Perpetual Youth For Porcupine Mines?

Old Producers Still Youthful After Producing Thirty Years

Although production in Porcupine commenced over 30 years ago, mines that were important the first few years of its history are not only still producing today, but form the backbone of the area's entire output.

It is not so many years that Dome was thought to have seen its best days, when pessimists were willing to predict that Hollinger costs were going to overtake ore grade, and when sharp criticism was levied at the McIntyre management for pouring money into depth development. But those stories are now a thing of the past. Of course the present higher price of gold, $38.50, has been a big factor. At none of the three mines mentioned does development have to be pressed to keep a supply of ore ahead of the mill. Workings may be deep but there is so much ore available that none of the mines appears to be considering carrying work deeper.

Down in the south section of Porcupine Buffalo Ankerite has apparently come through a difficult period with excellent mining possibilities still ahead. Coniaurum and Paymaster are enjoying the most successful period in their history.

Hollinger Consolidated

Although taxes were approximately double, Hollinger Consolidated Gold Mines last year increased its total net profit to $1.17 per share compared with $1.16 a share the preceding year. Dividends continue to be paid at the rate of 5 cents a share every four weeks with enough extra dividend distributions to make dividends total $1.10 a share each year.

Ore reserves have shown an increase each year since 1937 and at the end of 1940—the last date for which figures are available—were sufficient to keep the mill in operation nearly six years. The management probably does not consider it economical to carry work ahead to show a reserve much beyond this size.

Besides its mine proper, Hollinger receives income from Young Davidson Mines and the wholly owned Ross mine. At the present time the company is also helping finance erection of a 500-ton mill on the property of Jerome Gold Mines, Casakirk Gold Mines, Gillies Lake and Mace Gold Mines are interesting exploration projects being financed by Hollinger.

Capitalization

	Author.	Outstand.	Par
Common	5,000,000 sh.	4,920,000 sh.	$5

Price Range

	High	Low
1940	$15.00	$9.50
1939	15.50	12.00

McIntyre Porcupine

With the company increasing the average grade of ore treated to help supply the Government with foreign exchange, McIntyre Porcupine Mines has shown a sharp increase in production the past year. As a result of greater output, increased taxes have been more than met and earnings for the nine months ended Dec. 31, 1940, amounted to $3.59 a share compared with $3.36 a share in the corresponding period of the previous year.

Regular dividends are now being paid at the rate of $2.22 a share per annum plus extras. The latest extra was one of $1.11 a share, Canadian funds, paid Jan. 2, 1941.

In spite of higher dividend payments the last two years, earnings are still well in excess of dividend requirements and working capital position is apparently being steadily improved. On Mar. 31, 1940, working capital amounted to nearly $18 millions or over $22 a share.

From the mining viewpoint, McIntyre Porcupine has less worries than most mines. Ore reserves are approximately six years' milling requirements and substantial additions have been made to the tonnage in reserve practically every year for last 20 years.

Capitalization

	Author.	Outstand.	Par
Common ..	800,000 sh.	798,000 sh.	$5

Price Range

	High	Low
1940	$58.00	$37.25
1939	59.00	45.00

Dome Mines

Production of Dome Mines last year showed a considerable increase due to the 10% higher price being received for gold. Together with dividends received from the subsidiary Sigma Mines, the increase in gold production was sufficient to take care of practically all greater expenses and to give estimated net profit equal to $2.10 a share compared with $2.11 a share in the preceding year, before allowance for depreciation, depletion and adjustment of accounts at the year end.

Little day-to-day mining news comes out from the Dome property. A mine the size of Dome does not make news rapidly and the ore position only changes gradually.

Although the workings have been carried to a depth of about 4,000 ft., it is interesting to note that practically the entire tonnage of ore mined still comes from above the 2,000-ft. horizon. Upper levels are still worked over and produce ore from areas previously thought to be worked out.

Development at depth is not being pressed, but when general mining reaches the lower levels no doubt stopes will be ready to make available the required mill feed. Ore reserves reported slightly over a year ago were sufficient for something over four years' milling requirements.

Continued growth of Sigma Mines, in which Dome holds a 60% interest, is one of the bright spots in the company's position at the present time. Sigma paid a total of $450,000 in dividends last year, 60% of which came to Dome.

Capitalization

	Author.	Outstand.	Par
Common	2,000,000 sh.	1,946,668 sh.	n.p.v.

Price Range

	High	Low
1940	29.00	$16.00
1939	34.00	23.00

Buffalo Ankerite

During 1940 Buffalo Ankerite Gold Mines concentrated its exploration efforts on the opening up of a series of new levels from 1,250 to 1,850 ft. depth. Outstanding feature of this work was the impressive tonnage of ore disclosed in the south mine. This offsets the fact that ore disclosures in the north mine — previously the most important — have been somewhat smaller as depth has been reached.

The great expense involved in opening up both mines at depth is now at an end and the management hopes that a greater margin of profit will be available for dividend distribution this year.

An increase in ore reserves is expected to be shown for Dec. 31, 1940, with a substantial amount of new ore developed since June 30, 1940, when reserves were reported at 824,546 tons or somewhat over two years' milling requirements. Earnings for all 1940 may have been under 25 cents a share, but the outlook for better earnings in the current year appears brighter with reduced expenditures anticipated.

Capitalization

	Author.	Outstand.	Par
Common	1,000,000 sh.	701,679 sh.	$1

Price Range

	High	Low
1940	$8.60	$2.75
1939	15.25	5.75

Paymaster Consolidated

Production at Paymaster Consolidated Mines has shown a steady increase ever since production was commenced in 1935. Profits in the year ended June 30, 1940, set a new record with earnings equal to 1.6 cent a share compared with 1.1 cent the year previous. From the current rate of production it will not be surprising if earnings rise again.

Ore reserves at the end of last June were adequate for approximately 3½ years' milling requirements. A big programme of development is now being carried on at depth which could easily result in important new ore disclosures.

Capitalization

	Author.	Outstand.	Par
Common	9,000,000 sh.	8,629,090 sh.	$1

Price Range

	High	Low
1940	$0.53	$0.20
1939	0.61	0.29

Coniaurum Mines

Operating profits of Coniaurum Mines continued to increase in 1940 even after allowance for greater taxes. With deferred development completely written off and no unusual items of expense, it appears that net profits in 1940 were greater than in 1939 when the company earned 16.4 cents a share.

During last year dividends were maintained at the rate of 16 cents a share per annum and an extra dividend of two cents a share was paid on Dec. 5.

The company does not find it feasible to estimate ore reserves. Several new ore showings were opened up in 1940 and it has been unofficially reported that the company is maintaining and perhaps improving its ore position while broadening its exploration programme at depth.

Coniaurum is controlled by Ventures Ltd. President is Thayer Lindsley.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,766,743 sh.	n.p.v.

Price Range

	High	Low
1940	$1.98	$1.00
1939	2.34	1.10

GRANVILLE MILL

New equipment has been installed in the Grandview mill at Metaline Falls, which is expected to improve fineness of grinding. As a result capacity of the mill is expected to be increased from 40 to 50%. Production is running at 450 to 500 tons daily, it is stated.

In agitator tanks such as that above it is possible to see the gradual processes of gold recovery at work in a gold mine mill. Liquids from agitator tanks often seep out in small quantities and considerable amounts of gold have been recovered in cement sumps at the bottom of mills.

Porcupine Camp

Total production to end of 1940 .... $604,804,693*
Production in 1940 .... 52,944,265*
Production in 1939 46,968,368

	Output 1940	Output 1939	Since starting production Output	Since starting production Dividends
	$	$	$	$
Hollinger	16,844,035	15,484,394	300,517,437	104,478,400
McIntyre	9,580,381	8,406,958	122,506,065	25,388,828
Dome	7,933,784	7,462,379	110,377,882	47,571,190
Pamour Porcupine	2,729,641	2,561,030	11,457,314	1,800,000
Hallnor	2,651,205	2,600,181	6,624,527	2,400,000
Buffalo Ankerite	2,509,111	2,625,952	17,544,733	2,342,002
Preston East Dome	2,341,381	2,116,140	4,596,085	900,000
Coniaurum	1,871,971	1,753,902	14,537,440	1,706,043
Paymaster	1,742,545	1,545,332	7,496,323	245,160
Broulan	1,190,484	105,820	(1)	None
Moneta Porcupine	1,141,295	1,076,340	3,240,091	686,842
Delnite	853,326	825,045	2,569,726	178,726
Naybob	562,491	266,355	910,061	91,406
De Santis	422,165	244,360	666,525	None
Faymar	*570,000	...	...	None

(1) Production began Nov., 1939 *Estimated; production began March 28, 1940.

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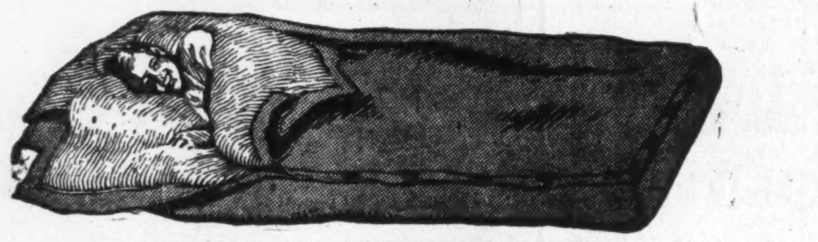

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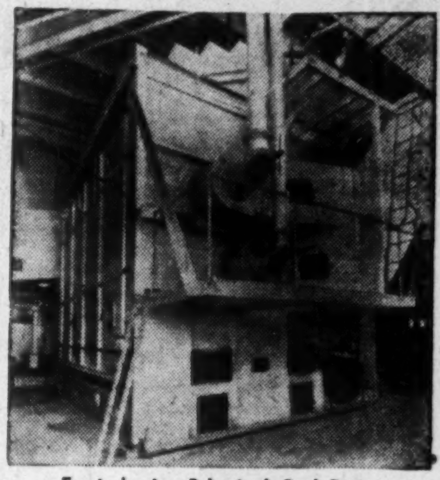
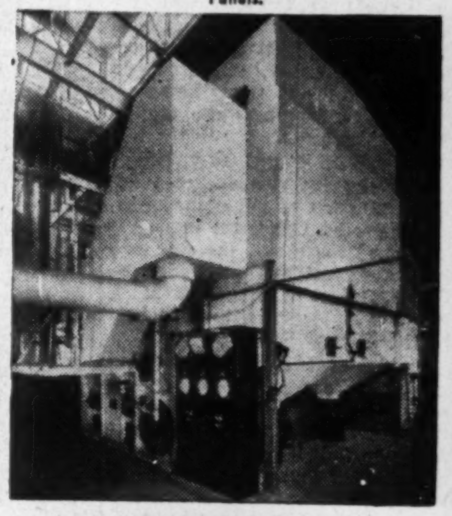
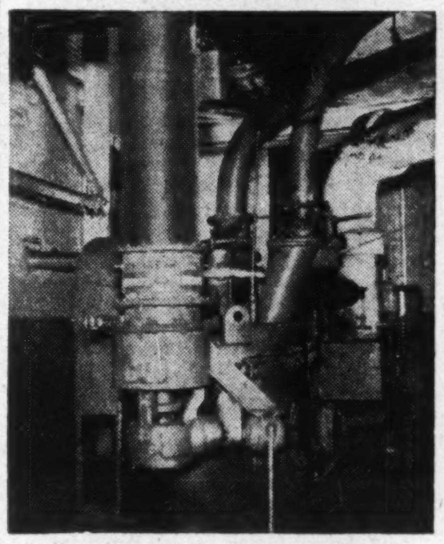


Front showing Pulverized Coal Burner.



Below, Side showing Air Preheater and Control Panels.



Above, BABCOCK Coal Pulverizer.

Right, in circle, Sectional view of BABCOCK "Integral" Furnace Boiler.

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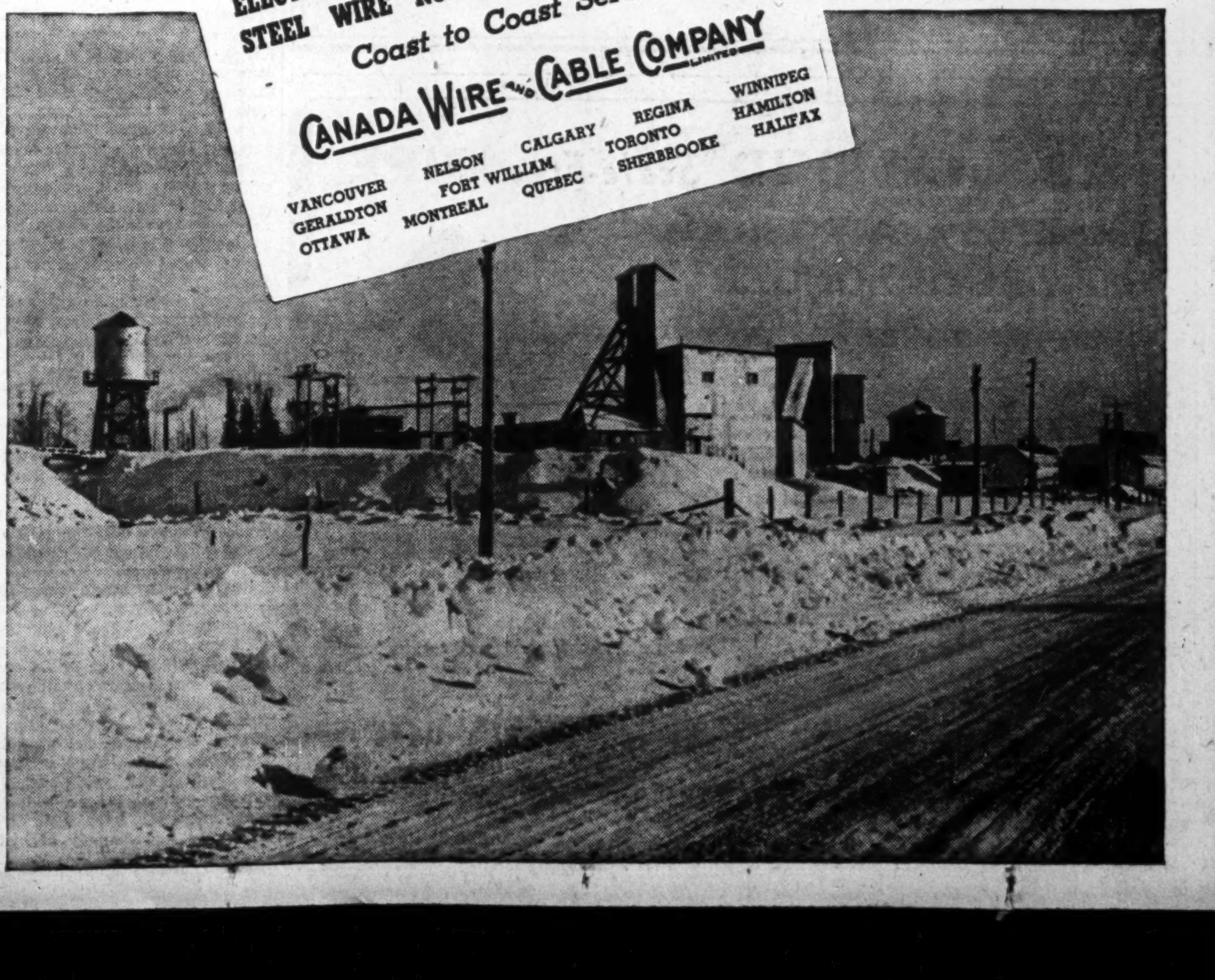


New Expansion at Larder Lake?

More Kerr - Addison Ore Exposed During Recent Months

A familiar sight underground in the north country — a miner drilling a face. There are three processes in advancing a drift heading. First comes drilling, then blasting. This is followed by "mucking" or shovelling out the broken rock.

After a swift climb to gold mine camp importance in the past few years, Larder Lake seems destined for even greater things. Expansion in capacity at Kerr-Addison Gold Mines and Chesterville Larder Lake —the area's two pace setters—apparently assures record production from the camp this year, with possibilities very bright for still further increases in succeeding years.

With the possible exception of East Malartic, there has been nothing in Canada to compare with the growth of Kerr-Addison Gold Mines in recent years. Hardly was construction on a 50% increase in mill capacity well under way last year, than tremendous new ore disclosures at depth made the increase in capacity seem very modest.

Good mining practice demands that expansion be undertaken relatively slowly. Ore is the important thing in determining the size of a mining camp, however, and the Kerr - Addison - Chesterville break seems to be blessed with an abundance of it.

Development of new mines in Larder Lake was on a restricted scale in 1940 but there are signs that things are now opening up again. At Yama Gold Mines, in the southern sector of the camp, development at depth has revealed better and more consistent values than anything shown in work at the 250-ft. horizon. These results prompted installation of a small test mill.

A programme of diamond drilling at the property of Laguerre Gold Mines has disclosed a wide ore zone that suggests another mine in the making. Fernland Gold Mines has completed financing for some further work.

From time to time it has been suggested that Larder Lake might be a good field for a custom mill. There are a number of properties which could supply ore for a custom mill including Cheminis Barber Larder, Fernland, Martin Bird and Yama farther to the south. Some negotiations are understood to have been carried on for a custom mill the past year, but nothing has come of it so far. With the great demand for gold it might be taken up again.

Kerr-Addison

With good reason Kerr-Addison Gold Mines has been compared with Hollinger the last few months. When a mine only partially developed starts to show a tonnage of ore running as much as 7,000 tons per vertical foot at depth, it indicates real chances of duplicating Hollinger's growth.

When the increase in milling capacity from 1,200 to 1,800 tons was decided on last year, it was thought that this would be a large increase. Now with the ore picture unfolding at depth, it appears that a greater increase might have been desirable. Even at the 1,800-ton rate, ore reserves are estimated at six years supply above the 1,300-ft. level.

Keeping the mine well ahead of present milling requirements, arrangements have been completed for sinking the shaft from the 1,450-ft. horizon to 3,150 ft.

Opening up this large block of new levels is expected to take from four to five years, although actual sinking will take only about two years, it is expected. As the company has not yet opened up the 1,450-ft. level, 1,850 ft. of new depth will be available for exploration.

Something of the calibre of the Kerr-Addison ore is realized when it is stated that the No. 21 ore body at the 1,300-ft. level shows a length of 1,100 ft., averaging $7.70 a ton across an average width of 46 ft. It has only been partially developed at this depth.

Earnings of the company started to become impressive about the first of last year. Operating profits for the third quarter totalled $680,276, compared with $911,008 for all 1939. Earnings for the current year are expected to be around 50 cents a share, it is unofficially estimated, with dividends perhaps reaching 35 to 40 cents a share this year.

Capitalization

	Author.	Outstand.	Par
Common	5,000,000 sh.	4,730,301 sh.	$1

Price Range

	High	Low
1940	$4.10	$1.20
1939	2.60	1.47

Larder Lake Camp

Total production to end of 1940	$15,011,957*
Production in 1940	5,681,552
Production in 1939	3,314,384

	Output 1940 $	Output 1939 $	Since starting production Output $	Since starting production Dividends $
Kerr Addison	3,544,434	1,984,858	6,514,561	709,545
Chesterville	1,258,946	448,462	1,707,408	85,423
Omega	878,172	881,064	3,889,988	None

*Of this amount $2.9 millions was produced since 1911 by Barry-Hollinger, Argonaut, Miller Independence and Gold Hill, all now inactive.

Chesterville Larder

Chesterville Larder Lake Gold Mining Co. made rapid progress in 1940. A loan of $220,000 was completely repaid, working capital was built up, and the company was able to pay its first dividend of 5 cents a share on Dec. 14. While no official statement has been made, it is understood that the 5-cent dividend may become a quarterly affair.

In spite of the milling of a very large tonnage of ore in 1940, the company was able to maintain its ore reserve position at about 3½ years milling requirements. While the company's main A ore body goes into Kerr-Addison ground at depth, the company has several other ore bodies of importance and the extension of the Kerr-Addison No. 21 ore body has been found on the company's property. Possibilities for further ore bodies in Chesterville ground at depth appear excellent from drilling indications secured.

It appears that the company is now earning in the neighborhood of 22 cents a share a year from recent statements on costs and output.

Work is now being carried to greater depth—the property has only been opened up to 550 ft. depth so far—and interesting ore news may develop this year. Kerr-Addison Gold Mines adjoining has enjoyed its best results at depth.

Capitalization

	Author.	Outstand.	Par
Common	2,000,000 sh.	1,708,450 sh.	$1

Price Range

	High	Low
1940	$1.48	$0.41
1939	1.39	0.62

Omega

Compared with its neighbors, Kerr-Addison Gold Mines and Chesterville, Omega Gold Mines is a less profitable operation. Production has been carried on since 1936, but the company has yet to retire some of the indebtedness incurred in mill construction. There is a large tonnage of ore in reserve—about three years requirements at the end of the 1940 fiscal year—but the margin of profit that can be realized on this ore is not great.

Operations conceivably might be stimulated by the assistance being offered by the Dominion Government to marginal mines for increases in production. It is conceivable that large bodies of lower grade material might be opened up and treated if sufficient inducement were offered.

Apparently on the "main break" of Larder Lake area, the possibility exists that Omega some day may find a higher than average grade ore body. As the president states, discovery of just one good grade ore body would change the complexion of the company's affairs.

As at March 31, 1940, working capital has been increased to $127,444, but there was still some $400,000 of indebtedness to be retired before serious consideration can be given to dividends. Production has shown a very gradual increase the last few years.

Capitalization

	Author.	Outstand.	Par
Common	5,000,000 sh.	5,000,000 sh.	$1

Price Range

	High	Low
1940	$0.34	$0.11
1939	0.53	0.20

Proprietary

Interest in Proprietary Mines the last year has increased greatly. The company holds over one million shares of Kerr-Addison Gold Mines from which a regular dividend income is now being received. The company also has a regular income from the Larder Lake townsite, which it owns, and from its power operations in the Larder Lake area.

In recent years the company has been involved in lawsuits over Proprietary shares whose issue has been disputed. Most of this litigation has now been cleared up in a way satisfactory to the company and the way has been cleared for dividends.

Capitalization

	Authorized	Issued	Par
Common	1,000,000 sh.	973,978 sh.	n.p.v.

Yama

Following extensive lateral exploration at the 250-ft. horizon which indicated a considerable tonnage of medium grade ore, Yama Gold Mines last year continued its shaft to the 500-ft. level, and opening up of new levels at 375 and 500-ft. depth is now well under way.

Results on the new horizons have been particularly encouraging to the management. At the 375-ft. level, the F zone has shown 224 ft. of ore averaging $18.65 across 4 ft.—a much greater concentration of values than on the upper horizon with a better margin of profit consequently indicated. Drifting on the C zone at the 500-ft. horizon has also shown this same greater concentration of values.

Arrangements have now been completed for a supply of hydro-electric power and this is expected to speed up the programme of underground exploration. It will also have the effect of reducing cost of work done. Plans call for bulk sampling to find out just what results can be obtained from the ore opened up underground. Backs will be taken down from tops of drifts in order to get representative values.

With the information obtained from bulk sampling, the company will be able to decide whether the mine is really a small tonnage high-grade operation, or a large tonnage, medium to lower-grade project.

Capitalization

	Author.	Outstand.	Par
Common	3,500,000 sh.	2,409,558 sh.	$1

Cheminis

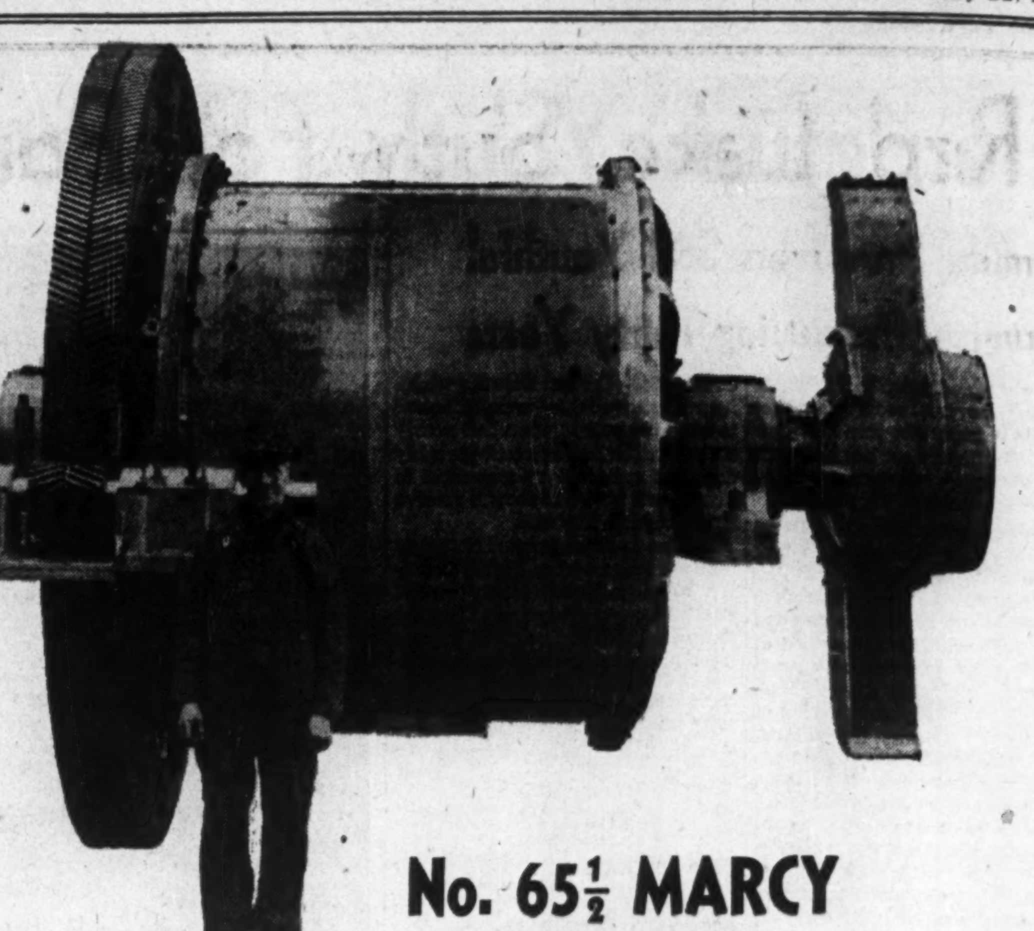
At the property of Cheminis Gold Mines a shaft has been sunk to depth of 550 ft. with levels opened up at 275 and 525 ft. depths. Ore is contained in three zones explored by extensive diamond drilling and drifting. On Aug. 15, 1940, the A zone was estimated to contain 62,639 tons of ore, averaging $5.81 a ton uncut, while the B zone contained 29,898 tons, averaging $5.89. The C zone, which is the most important, contained 229,070 tons, averaging $6.08 a ton uncut. While this is a substantial tonnage of ore, no arrangements have yet been completed for its treatment.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,540,364 sh.	$1

SPUD VALLEY OUTPUT

Production of Spud Valley Gold Mines was somewhat lower in January, amounting to $57,515 from 2,673 tons of ore for average recovery of $21.51 a ton compared with $66,081 from 2,714 tons of ore and an average recovery of $24.47 for December.



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CAPITAL
2,000,000 SHARES NO PAR VALUE
1,841,000 SHARES ISSUED

PROPERTY — The company's property is located about two miles south of Geraldton in the Little Long Lac area of Ontario. There are 35 claims which cover an approximate area of 1,200 acres.

PROGRESS — 1940 has been a year of excellent progress for the Company. The mine has been worked into excellent ore position and the management has formed development plans well in advance of immediate requirements. The normal length of main vein ore is to be had on each of the four new levels below the 12th. By keeping development well ahead it is hoped to carry all development charges without increasing costs above the normal figure.

PRODUCTION DATA

	Total Tons Milled	Daily Average	Recovery per ton	Cost per ton	Profit per ton	Total Value of Bullion Recovered
1934	4,175	127	$18.13	$....	$...	$ 85,480
1935	62,073	170	17.85	11.17	6.68	1,108,148
1936	83,555	228	17.96	11.33	6.63	1,500,792
1937	98,025	...	16.63	11.37	5.26	1,630,532
1938	97,015	277	15.92	8.32	7.60	1,544,989
1939	106,777	280	15.91	7.88	8.03	1,699,078
1940	113,065	280	15.99	7.38	8.61	1,761,796

DIVIDENDS PAID

1936	Jan. 20 — 10c	June 25 — 10c	Oct. 20 — 10c — Total 30c
1937	Jan. 15 — 10c	May 15 — 10c	Aug. 16 — 10c; Dec. 20 — 10c — Total 40c
1938	Apl. 26 — 10c	Sept. 10 — 10c	Dec. 22 — 10c — Total 30c
1939	Apl. 24 — 10c	Aug. 26 — 10c	Dec. 11 — 10c — Total 30c
1940	Apl. 29 — 10c	Aug. 20 — 10c	Dec. 21 — 10c — Total 30c

Head Office — Room 1300 Canadian Bank of Commerce Building — Toronto

Mine Office — Little Long Lac — Ontario

Red Lake Shows Riches Widespread

Former "One Mine" Camp Boasts String of Profitable Producers

Red Lake—pioneer gold producing area of northwestern Ontario—is still the greatest gold producing field in this section of country, which includes the Pickle Crow and Uchi Lake fields.

It is not long since people used to think of Red Lake as just one mine—Howey—treating the lowest grade ore of any mine in Canada. Red Lake has now six producers. Instead of being just a low-grade camp, Red Lake has a mine with perhaps the richest grade ore in Canada — McMarmac Red Lake Gold Mines, which started production late last year under the aegis of McKenzie Red Lake Gold Mines.

More will likely be heard of Red Lake the next few years. Dividend distributions are expected to increase this year with at least two properties working toward the dividend stage. Production is continuing to increase.

In the Pickle Crow area interesting new developments have taken place the last year. At Pickle Crow Gold Mines what is now considered to be an entirely new mine has been found to the north. It continues to stand up as development proceeds. At Central Patricia Gold Mines—Pickle Crow's running mate—tonnage milled has been gradually increased in the past year.

In the Uchi Lake area, Uchi Gold Mines continues aggressive development. Through the taking over of other properties, Uchi has now not one but four distinct mines. The new properties are expected to play an important part in the company's future.

Howey Gold

While it became known several years ago that Howey Gold Mines was approaching the end of its productive life at its original mine in the Red Lake area, the company still continues to produce and it seems likely that production will continue at least most of this year. After the last ton of ore is milled, there will still be very valuable assets behind each Howey share.

When it became known that Howey's days were numbered, directors started taking interests in outside properties and a continuous search for new mines has now been under way for some years. While the company has yet to secure a new mine of its own, investments made in other enterprises have turned out very well.

The most important commitment has been the purchase of over 430,000 shares of East Malartic Mines at around $1. During 1940 East Malartic Mines distributed 30 cents a share in dividends or the equivalent of over 2½ cents a share on each Howey share outstanding.

Howey continued to realize substantial operating profits during 1940 and directors were able to pay five cents a share in dividends.

	Capitalization Author.	Outstand.	Par
Common	5,000,000 sh.	5,000,000 sh.	$1

Price Range	High	Low
1940	$0.40½	$0.20
1939	0.42	0.24

Hasaga Gold

Hasaga probably comes the closest to being a "one man gold mine" of any property in Canada. Practically all of the issued stock is owned by Jack Hammell, who developed this property after it lay idle for a considerable number of years. It is now a really profitable producer.

Results of Hasaga early in 1940 were definitely encouraging and resulted in an increase in milling capacity from 150 to 300 tons daily. Mining is being carried on at the No. 1 shaft of the McIntyre section of the property. Some very good ore sections have been disclosed at 160, 300 and 450 ft. depth. Ore has been opened up on each of these levels with most of the ore milled so far coming from the surface dump and development headings.

Milling was started late in 1940. With stoping just getting well under way it is still too early to know exactly what results will be obtained in routine mining operations, the management feels.

	Capitalization Author.	Outstand.	Par
Common	3,000,000 sh.	2,050,000 sh.	$1

Pickle Crow

So extensive are the new ore showings opened up to the north at the 750-ft. level of Pickle Crow Gold Mines, that they are now expected to offset completely any lowering of values found in the main Pickle Crow vein at depth. If the lowering of values at depth in the main vein proves to be only a local affair — as the management anticipates—it is possible the company is headed for greater production and earnings than ever before.

Of course the ore showings in the new north zone have only been opened up on the one level at 750 ft. depth but a broadening of work in this area is expected shortly. At last report 650 ft. of ore had been opened up in the north zone averaging $12 cut grade a ton across an average width of 57 inches with the face to the east still in ore. Also, 100 ft. of lower-grade ore had been opened up to the south before the big shoot of ore was encountered.

With production in 1940 showing no great change from the previous

(Continued on page 29)

	Capitalization Author.	Outstand.	Par
Common	5,000,000 sh.	2,875,006 sh.	$1

McKenzie Red Lake

Although bullion production of McKenzie Red Lake Gold Mines may have been slightly lower in 1940, in many respects the company has just finished the best year in its history. The most outstanding development last year was the bringing into production of McMarmac Red Lake Gold Mines, with McKenzie putting up practically the entire amount of money required for development and mill construction. McKenzie directors decided to pass along the fruits of the new operation to shareholders and before the year closed distribution of one McMarmac share was made for each five shares of McKenzie Red Lake Gold Mines held. This involved distribution of approximately 600,000 McMarmac shares or approximately one half the shares held by McKenzie Red Lake.

With production of the company running somewhat lower in 1940 than in 1939 and taxes higher last year, it appears that the McKenzie Red Lake profit for 1940 was below that of 1939, which was equal to 18 cents a share. Lower production was due to treatment of lower than average grade ore and absorption of gold in the mill circuit following installation of new tube-mill liners.

	Capitalization Author.	Outstand.	Par
Common	3,000,000 sh.	2,900,000 sh.	$1

Price Range	High	Low
1940	$1.47	$0.85
1939	1.38	1.00

Madsen Red Lake

Dividends were initiated by Madsen Red Lake Gold Mines in 1940 with two distributions of 3 cents a share each. In spite of the milling of a large tonnage of ore last year, ore reserves are understood to have increased with slightly over 3 years ore ahead of the mill at the current milling rate of 400 tons daily.

The rate of production was increased sharply during 1940 and operating profits are probably running close to 15 cents a share a year. This indicates that substantial additions are being made to working capital after payment of dividends.

When original underground exploration of the Madsen mine was undertaken, practically no ore was found on the bottom level at the 500-ft. horizon. Since then, however, further exploration has located the downward extension of ore and diamond drilling indicates ore extends to at least 1,100 ft. depth. Levels down to 800 ft. depth have been opened up and it is expected to have new levels at 900, 1,100 and 1,250 ft. depth under exploration this coming April.

The South Austin ore body which has been explored by drifting at the second level and by surface diamond drilling is estimated to contain 37,500 tons of ore averaging 0.22 oz a ton.

	Capitalization Author.	Outstand.	Par
Common	3,500,000 sh.	3,479,528 sh.	$1

Price Range	High	Low
1940	$0.70	$0.20
1939	0.58	0.22

Cochenour Willans

Less than a year after production was first commenced, Cochenour Willans Gold Mines paid its first dividend of 3 cents a share on Nov. 15, 1940. For the first eight months of 1940, profits after all charges except taxes amounted to $250,883 or an annual rate of approximately $375,000. The company has outstanding 2,911,655 shares.

The present policy of the company calls for production of approximately $225,000 per quarter

Development has not been pushed at the Cochenour-Willans mine, but new ore exposures have been made recently on each of the three levels opened up at 150, 275 and 375 ft. depths. Veins are flat-lying in most cases and considerable detail work is often required to determine the full extent of ore.

	Capitalization Author.	Outstand.	Par
Common	3,000,000 sh.	2,911,655 sh.	$1

Price Range	High	Low
1940	$1.00	$0.30
1939	0.78	0.72

McMarmac Red Lake

While McMarmac Red Lake Gold Mines adjoins McKenzie Red Lake Gold Mines, conditions at the two properties differ radically. It is not difficult to tell what rock carries values at McKenzie but at McMarmac values are usually contained in a carbonate zone. Material that might be thought to be barren often turns out to be very rich. As the gold is associated with arsenic, concentrates are shipped to a west coast smelter to effect final recovery.

Development of the property has been carried out by a shaft now down 450 ft. with levels established

Red Lake-Pickle Crow-Uchi

Total production to end of 1940	$47,309,995
Production in 1940	11,090,857
Production in 1939	9,481,523

	Output 1940 $	Output 1939 $	Since starting production Output $	Dividends $
Pickle Crow	2,879,221	2,902,154	13,305,027	5,250,000
Central Patricia	1,888,485	1,765,587	8,806,290	2,050,000
Uchi Gold	1,299,940	686,942	1,986,882	None
Madsen Red Lake	1,129,834	954,302	2,411,963	208,772
McKenzie Red Lake	1,012,551	1,111,898	5,153,650	1,569,150
Howey Gold	959,700	1,138,713	12,333,697	1,750,000
Cochenour-Willans	850,315	123,430	973,745	88,850
Hasaga	643,177	457,724	1,125,894	None
Gold Eagle	427,634	351,730	1,212,847	None

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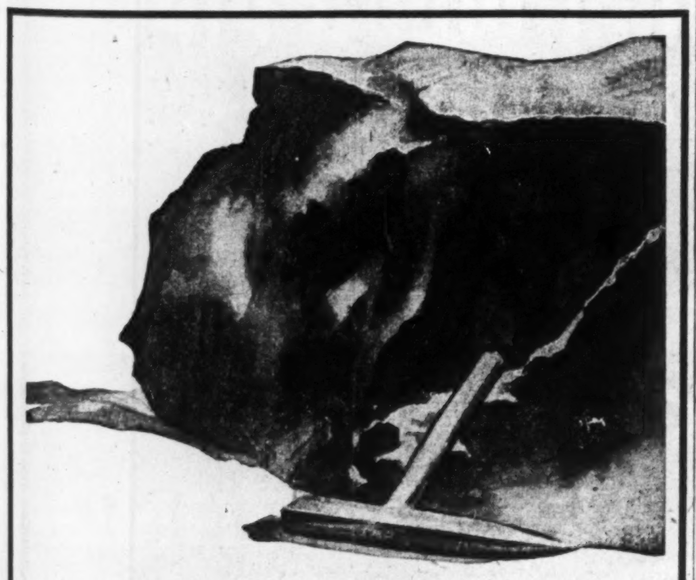

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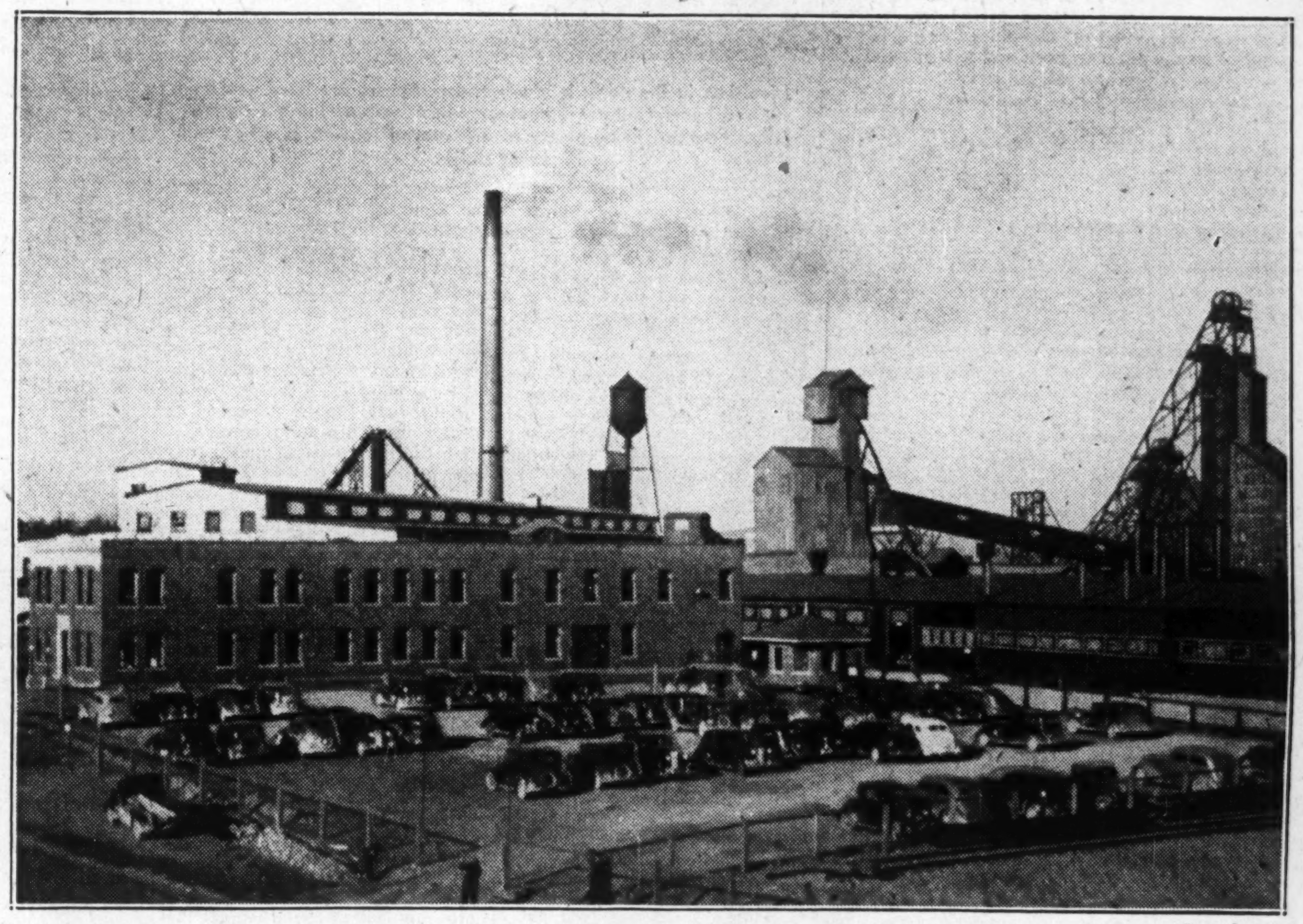

Surface Plant of Lake Shore Mines, Limited, Kirkland Lake, Ontario

SUPPLIES AND EQUIPMENT PURCHASED DURING PERIOD OF PRODUCTION

	TOTAL TO DATE
Explosives	$ 2,297,468
Lumber and Timber	$ 3,599,179
Rock Drills and Parts	$ 859,538
Pipe and Fittings, Plumbing Supplies	$ 795,759
Electrical Supplies	$ 1,187,389
Mill Supplies	$ 4,107,720
Machinery and Parts	$ 4,641,017
Building Material	$ 925,463
Fuel	$ 512,866
Steel Products	$ 2,346,933
Oil and Lubricants	$ 271,140
Groceries	$ 607,263
Trucks and Cars	$ 77,155
Miscellaneous	$ 2,140,960
Backfill	$ 832,073
Power	$ 4,941,232
	$30,143,155
Freight and Express included in value of above Materials	$ 2,328,782

In its twenty years of operation Lake Shore has played an important part in Canadian industrial history. As a major Canadian industry it has substantially contributed throughout these years to the economic welfare of the Dominion. As one of the leading producers of Gold, that vital commodity so essential to the success of the Empire's war effort, Lake Shore is pledged to even greater efforts in the future.

Head Office and Mine Office

KIRKLAND LAKE - - ONTARIO

New Developments Liven B. C.'s Golds

Bralorne Still Brightest Of Province's Producers

Prosperity of British Columbia gold mining the last year was reflected by outstanding developments in the various areas. Some of these were:

1. Continuation of fine ore disclosures at Bralorne Mines—leading Bridge River producer—with exploration carried to new depth.

2. Cutting of good ore in what is apparently the "B.C." vein at Cariboo Gold Quartz Mining Co., bringing the Cariboo area once more into the limelight.

3. **Favorable developments for** Island Mountain, Gold Belt and Sheep Creek mines in the Sheep Creek area.

4. Commencement of dividends by Spud Valley and Mount Zeballos mines, Zeballos area producers, and construction of a 40-ton mill at Homeward Mines in the same area.

In addition to important new developments at many of the main producing properties, British Columbia gold mines have been leaders in the search for new properties. Pioneer, Bralorne, Sheep Creek, Privateer and Reno have spent considerable sums on the important work of finding new mines to increase Canada's gold production.

Bralorne Mines

Not only the most outstanding gold mine in British Columbia, but one of the most important in all Canada, Bralorne Mines last year recorded a further increase in the value of output with profit for the year apparently close to the record figure of $1.49 a share for 1939.

While the majority of ore treated in 1940 was mined from about the 1,400-ft. level, exploration on levels below 1,400 ft. was pushed forward with a considerable amount of development ore going to the mill. Work on the lower levels is stated to have been satisfactory, suggesting encouraging results for the future.

Ore reserves at the end of 1940 are understood to have been increased somewhat over the 710,000 tons reported at the end of the previous year. With approximately 190,000 tons of ore treated a year, Bralorne has in the neighborhood of four years' proved ore in reserve.

The company has a subsidiary, Summit King Mines—operating in Nevada — which, while small, is realizing a profit with its mine responding to development.

Capitalization	Author.	Outstand.	Par
Common	1,250,000 sh.	1,247,000 sh.	n.p.v.

Price Range	High	Low
1940	$11.00	$7.40
1939	12.12½	9.12½

Pioneer Gold

Although the property of Pioneer Gold Mines has failed to respond to development at depth, ore reserves have shown only a very gradual diminution and there was approximately four years' ore available for milling on March 31, 1940. Recent production has been sufficient for the company to meet dividends from earnings and there has been no suggestion of a change in this rate of 40 cents a share a year.

An exploration in which Pioneer is interested is Musketeer Mines, developing an interesting property on Vancouver Island. Altogether the company has been very active in the exploration field and it will be surprising if some new property of merit is not opened up.

Capitalization	Author.	Outstand.	Par
Common	2,500,000 sh.	1,751,750 sh.	$1

Price Range	High	Low
1940	$2.45	$1.45
1939	2.70	2.10

Cariboo Gold Quartz

Intersection in the main exploratory crosscut of what is apparently the important "B.C." vein may prove of major importance to Cariboo Gold Quartz Mining Co. A 4-ft. width of solid quartz exposed on the left wall of the crosscut had an average gold content of 0.3 oz., while a 5-ft. width on the right wall averaged 0.6 oz. gold per ton.

Lateral exploration will have to be done to determine the importance of this intersection, but if this is really the "B.C." vein, potentialities are very important.

Production at Cariboo Gold Quartz has been increased to around 350 tons daily, in the programme of gradual mill enlargement. Due to treatment of a somewhat lower average grade of ore for a time, however, net profit for the nine months ended Oct. 31, 1940, amounted to only 20.2 cents a share compared with 28.1 cents a share for the corresponding period of 1939.

Ore reserves have been steadily increased at Cariboo Gold Quartz and as at Jan. 31, 1940, ore in reserve totalled 428,588 tons with a value of $6.5 millions, or enough for between three and four years at the current milling rate.

Capitalization	Author.	Outstand.	Par
Common	2,000,000 sh.	1,333,309 sh.	$1

Price Range	High	Low
1940	$2.67	$1.65
1939	2.40	1.70

Reno Gold

Milling operations have again been suspended at Reno Gold Mines, Sheep Creek area, due to exhaustion of readily available ore. Development work is being conducted on a lower level on the Motherlode vein and also on the Nugget vein. Pending development of sufficient ore from these veins to warrant reopening, the mill will remain closed.

Central Zeballos Gold Mines, in which Reno has a 40% interest in profits before depreciation and depletion, has been turning out quite satisfactorily. By this time, all advances of Reno have probably been liquidated with dividends not far removed. Ore position is stated to be better than when Reno first agreed to finance the property.

On April 30, 1940, Reno Gold Mines had slightly over $330,000 in its treasury, or between 15 and 20 cents a share.

Capitalization	Author.	Outstand.	Par
Common	2,000,000 sh.	1,880,000 sh.	$1

Price Range	High	Low
1940	$0.57	$0.12
1939	0.56	0.20

Sheep Creek

Earnings of Sheep Creek Gold Mines have shown a slight reduction due to greater taxation. Per share profit for the six months ended Nov. 30, 1940, amounted to 8.8 cents a share compared with 10.3 cents a share in the corresponding period of 1939.

While there has been this slight reduction in profits, operations continue at about their usual level. Ore reserves have been maintained at approximately 140,000 tons running 0.4 oz. gold per ton, or enough to keep the mill going for almost three years.

Sheep Creek has taken over a zinc project with the formation of Zincton Mines to acquire the Lucky Jim mill of 200 tons capacity along with that company's property. Negotiations are being carried on with American Smelting and Refining Co. and the mine and mill can go into production at short notice, if marketing arrangements for zinc concentrates are completed.

Working capital position of Sheep Creek has been built up steadily and on May 31, 1940, it equalled approximately 30 cents a share. This figure may have been increased somewhat since.

Capitalization	Author.	Outstand.	Par
Common	2,000,000 sh.	1,875,000 sh.	50c.

Price Range	High	Low
1940	$1.24	$0.80
1939	1.25	0.92

Island Mountain

Earnings of Island Mountain Mines Co., Sheep Creek area, are believed to have been approximately 18 cents a share in 1940, practically unchanged from the previous year when 17.3 cents a share was reported for net profit. A total of 15 cents a share was paid out in dividends for 1940, so apparently there was a considerable margin of operating profit to be added to working capital which was equal to approximately 30 cents a share at the end of 1939.

Little information has come out on development results recently, but it is probably significant that the milling rate was worked up to approximately 150 tons daily by the end of 1940, compared with 120 tons daily in January of last year. It does not appear likely that the milling rate would have been worked up unless either ore results were quite favorable, or unless it were desired to commence treatment of lower grade marginal material. However, no great change took place in grade of ore treated last year.

Island Mountain Mines Co. is controlled by Newmont Mining Corp.

Capitalization	Author.	Outstand.	Par
Common	1,100,000 sh.	1,050,716 sh.	50c.

Price Range	High	Low
1940	$1.09	$0.65
1939	1.26	0.85

Gold Belt

Milling of high-grade ore from the 3,500 vein on the 1,400-ft. level of Gold Belt Mining Co. is expected to result in greater production the next few months. In the last few months of 1940, output was already higher, but still better figures can be expected in the few months ahead, it is suggested.

While the company had a net profit of only $181 in the fiscal year ended March 31, 1940, it appears that results from the current fiscal year may show some improvement despite higher taxation. In any case, the company will report a substantial operating profit for the period.

Gold Belt started dividends in 1940, making two distributions of 2 cents a share each at half yearly intervals.

Development of the high-grade ore body for a length of 300 ft. on the 1,400-ft. level averaging 0.8 oz. across 3 ft. was the highlight of work at Gold Belt during 1940.

Capitalization	Author.	Outstand.	Par
Common	3,000,000 sh.	2,550,000 sh.	50c.

Price Range	High	Low
1940	$0.30	$0.20
1939	0.60	0.19

Kootenay Belle

Kootenay Belle Gold Mines production has shown a sharp decline in the past year and it appears doubtful if there has been any actual net profit, although there was possibly a modest operating profit.

Ore reserves have not been substantial for some time and it is probably lack of developed ore that has caused the decline in output. The management has tackled the problem of finding new ore intelligently, however, and there is still the chance that the company will recuperate its previous position.

Dividends were maintained on the basis of 4 cents a share quarterly up to April 22, 1940, with payments of 2 cents a share made since then on July 22, and Oct. 22, 1940, and Jan. 22, 1941.

Capitalization	Author.	Outstand.	Par
Common ..	750,000 sh.	675,200 sh.	50c.

Price Range	High	Low
1940	$0.85	$0.23
1939	1.55	0.60

Privateer Mine

Although decline in grade of ore in the main No. 1 Privateer vein proved an unsettling factor at Privateer Mine—leading Zeballos producer—this has been offset by the opening up of the No. 2 vein as an important source of high-grade ore. Production during 1940 was not quite as high as in 1939, but earnings for the year were probably not far below the 27.5 cents a share reported for 1939.

No recent statement has been made on ore reserves, but from development reported on No. 2 vein, it appears that considerable new ore has been opened up to replace that milled.

Owing to development of new areas, mill feed is expected to be more irregular the next few months and some months it may prove below average. The general policy, however, will be to resume and maintain an even production as nearly as possible. At the end of 1939, ore reserves were sufficient for between one and two years milling.

Capitalization	Author.	Outstand.	Par
Common	2,500,000 sh.	2,454,080 sh.	n.p.v.

Price Range	High	Low
1940	$0.94	$0.37
1939	1.45	0.80

Spud Valley

With the balance of its $350,000 mortgage paid off last May, Spud Valley Gold Mines paid an initial dividend of 2 cents a share on July 10, 1940. This has been followed by two other dividends of similar amount on Oct. 10, 1940, and Jan. 10, 1941.

Earnings appear to be more than ample for maintaining the present rate of dividend. In the fiscal year ended May 31, 1940, net profit of $262,218 was equal to 12.5 cents a share. Production has been at as high a rate since and earnings probably show no great change, except for higher taxation.

Ore reserves are relatively high for a small, high-grade mine. At May 31, 1940, reserves totalled 94,336 tons averaging 0.319 oz. gold per ton across an average width of 3 ft. With 28,000 tons of ore milled a year, this reserve was sufficient for over three years' milling requirements. Development has been carried out on seven levels at from 2,200 to 1,230 ft. elevation. Most work has been completed on the Goldfields and Spur veins.

Capitalization	Author.	Outstand.	Par
Common	2,500,000 sh.	2,100,000 sh.	$1

Mount Zeballos

Mount Zeballos Gold Mines was another Zeballos producer to start payment of dividends in 1940, with an inital payment of 10 cents a share on Dec. 28. Construction of the company's 50-ton mill in 1939 was financed by a $128,400 loan from Conwest Exploration Co., but advances were entirely paid off by Aug., 1940.

Ore reserves are not large, but erection of the mill has been justified, with its entire cost already repaid from profits. At the present time there may not be quite a year's ore in reserve but aggressive development is being carried on to maintain and possibly increase the ore reserve. Development of the property has been carried out by adits at 2,000, 1,900, 1,800, 1,600, 1,500 and 1,200 ft. elevation.

Capitalization	Author.	Outstand.	Par
Common	1,500,000 sh.	1,100,000 sh.	$1

Central Zeballos

Like Mount Zeballos, Central Zeballos Gold Mines has shown a small mill treating high-grade ore can pay its own costs in a very short length of time. Starting production in January of last year, the company had only $30,095 to repay at Oct. 31, 1940.

Reno put up the money for the mill and is to receive 40% of profits after capital expenditures have been returned. Central Zeballos Gold Mines receives the remaining 60% as lease rental.

Opening up of the Central Zeballos property has been carried out by the driving of two tunnels, 175 ft. apart. They have been connected by a raise and a winze has been sunk from the second level to open several deeper levels. Enough ore was on hand at the end of last October to keep the mill running over a year.

Capitalization	Author.	Outstand.	Par
Common	2,500,000 sh.	1,450,000 sh.	$1

Hedley Mascot

Production and profits of Hedley Mascot Gold Mines were maintained during 1940 at a rate roughly comparable with that of 1939, when the company reported earnings of 6 cents a share compared with 17 cents a share the previous year. There were no startling new developments, the larger part of work being confined to extension of known ore bodies.

A total of 8 cents a share was paid by the company in dividends during 1940, representing an increase of 1 cent a share over the previous year.

Working capital at the end of 1940 probably showed some increase over the $340,000 reported for the end of 1939.

Capitalization	Author.	Outstand.	Par
Common	3,000,000 sh.	2,264.130 sh.	$1

Price Range	High	Low
1940	$0.59	$0.30
1939	1.58	0.30

Homeward

A mill of 40 tons capacity was nearly completed at the property of Homeward Mines, Zeballos area, early this month. It is expected that half the values will be recovered by amalgamation with the balance in concentrates to be shipped to the smelter at Tacoma, Wash. Overall extraction of 98% is expected.

Several parallel veins have been discovered with underground work carried out on one. This vein has been traced across the full length of the property.

Capitalization	Author.	Outstand.	Par
Common	3,000,000 sh.	*	50c.

*Not available.

Mealtime in the north is big business. Miners are hard workers— — and hearty eaters. Some companies employ large catering firms. Emphasis is on plenty of well-cooked food rather than on fancy dishes.

British Columbia Mineral Output

Total production to end of 1940 $1,631,748,480*
Production in 1940 .... 69,500,000*
Production in 1939 65,056,737

	Output 1940 $	Output 1939 $	Since starting production Output $	Since starting production Dividends $
Con. M. & S.	*39,000,000	35,469,810	...	(3)90,845,387
Bralorne	3,899,395	3,780,885	20,883,918	6,972,950
Granby Cons.	*3,124,849	4,312,260	...	25,650,162
Cariboo G. Q.	1,675,836	1,599,500	7,932,863	1,066,646
Silbak Premier	1,488,583	1,733,462	5,973,948	1,100,000
Pioneer	*1,480,000	1,272,063	20,880,092	8,198,190
Privateer	1,039,702	1,191,967	2,856,631	981,632
Sheep Creek	1,014,096	1,005,053	4,662,172	1,275,000
Island Mountain	806,050	717,547	3,965,362	577,894
Hedley Mascot	*754,060	605,121	3,520,139	792,445
Spud Valley	748,343	579,944	1,328,337	126,000
Gold Belt	628,292	599,677	1,383,206	102,000
Mount Zeballos	561,916	126,189	...	None
Surf Inlet (1)	496,479	334,712	8,845,882	40,093
Kootenay Belle	491,299	681,673	2,690,569	303,840
Ymir Yankee (2)	447,449	478,000	2,327,985	133,500
Relief Arlington	*395,520	532,076	2,467,878	150,000
Reno	*354,451	218,156	5,034,498	926,040
Central Zeballos	*273,345	(4)	...	None
Britannia	(5)	...	...	...

*Estimated figure. (1) For fiscal year ended June 30. (2) For fiscal year ended Aug. 31. (3) Cash dividends. (4) Started Jan., 1940. (5) Not available.

SHEEP CREEK GOLD MINES LIMITED
(Non-Personal Liability)
Incorporated under the Laws of the Province of British Columbia.
Authorized Capital: 2,000,000 Shares of a Par Value of 50 Cents each.
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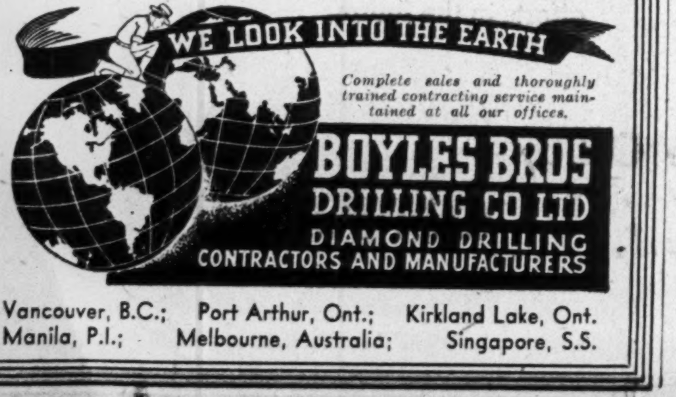
C. E. MARR - - - Vice-President
A. H. DOUGLAS - - - Director
A. E. JUKES - - - - Director
J. R. PYPER - - - - Director
H. E. DOELLE - Managing Director
JAMES ANDERSON - *Sec.-Treas.*
Auditors: FOSTER & BARRETT-LENNARD, Vancouver, B.C.
Solicitors: ROBERTSON, DOUGLAS & SYMES, Vancouver, B.C.
Transfer Agents and Registrar: PRUDENTIAL TRUST CO. LTD., Vancouver and Toronto.
Head Office: 616 STOCK EXCHANGE BUILDING, Vancouver, B.C.
MINING IN WAR-TIME
Directors of Sheep Creek Gold Mines Ltd. deem it a duty at this time not only to make as large a contribution as possible to Canada's production of gold, but to continue judiciously the search for possible new production.

THERE IS NO SUBSTITUTE FOR EXPERIENCE
INTO the design and manufacture of our drills go the qualities which our drillers, in their years of world wide operation, have found to be essential to economical operation, speed and adaptability.



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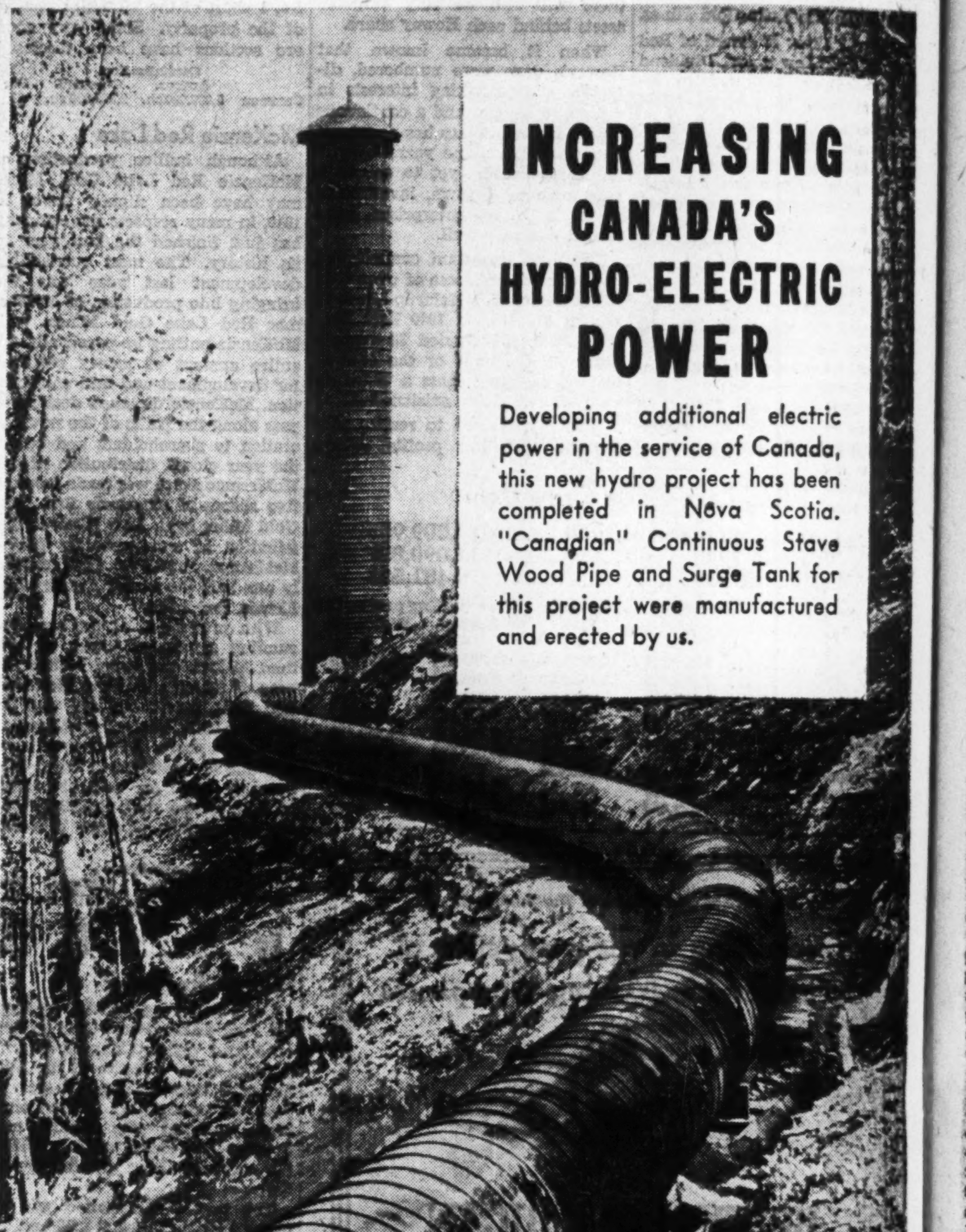

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Manitoba Mines Multiply Their Output

All the Big Producers Now Paying Dividends

Mineral production of Manitoba has grown 15 times the last decade—striking proof of the rapid expansion of mining in this western province.

During last year, Manitoba metal production reached new heights and generally higher operating profits gave greater ability to meet increased taxes and pay out more in dividends.

With Sherritt Gordon Mines commencing dividends in 1940, the province now has all its main producing mines making distributions to shareholders. No other province can claim a similar record. It gives concrete evidence as to the profitableness of mining in Manitoba.

Two of Manitoba's producers are making important additions to their mill capacity that will probably mean greater total production for the province this year. No longer is there any question about Manitoba's metal deposits persisting to depth. Some of them may have a pronounced rake as depth is reached, but there is no doubt about them going down.

Prospecting in Manitoba last summer turned up a number of manganese showings that conceivably might be of great importance with continuation of the war. Tungsten properties also have come in for investigation. Most of these showings are in the preliminary stage of investigation but a thorough testing of many of them will undoubtedly take place during the coming summer.

Hudson Bay M. & S.

Backbone of Manitoba mining—and one of the largest producers of base metals in the Dominion—is Hudson Bay Mining and Smelting Co. It increased its production rate to 5,250 tons daily last December and is expected to have its milling up to 6,000 tons daily by fall. On the basis of 6,000 tons daily, production of refined zinc is expected to be over 100 million pounds a year, while copper production will be boosted to around 85 million pounds. Gold production at the present time runs about $500,000 monthly.

Index of the way Hudson Bay's production is being expanded is given by metal production figures for back in 1939. In that year, zinc production was just 77 million pounds, while copper production amounted to 57 million pounds. Gold production was running lower than at present, with only $35 an ounce received for most of the year.

In spite of practically fixed metal prices and sharply higher taxes, the company has been able to increase earnings. While figures are not yet available for all 1940, results for the first nine months showed earnings of $1.49 a share compared with $1.33 a share in the corresponding period of 1939. Peak earnings were realized during the period of high metal prices in 1937, when profits were equal to $2.73 a share.

Open pit mining is now practically ended and four fifths of ore is being drawn from the underground workings.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,757,973 sh.	n.p.v.

Price Range

	High $	Low $
1940	34	19⅞
1939	39½	25½

San Antonio

Following impressive new ore disclosures at depth, directors of San Antonio Gold Mines decided to increase their mill capacity from 330 to 550 tons per day last November. In spite of the treatment of the higher tonnage, it is not expected that average grade of ore treated will come down much. In fact, average grade may possibly be higher when important quantities of ore are brought up from the new lower levels after preparation of stopes.

Opening of the block of levels from 900 to 1,600 ft. depth gave an entirely new picture of the ore at San Antonio. Early belief that the company has really large ore deposits are apparently being confirmed. Certainly the company's ore position has been improved tremendously.

Even allowing for a high rate of excess profits tax, earnings are expected to mount to 35 cents a share per annum at the new high milling rate. The company maintains a strong liquid position and the increase in mill capacity will not tax the company's resources. With the increase in mill capacity out of the way, it appears possible that the greater proportion of earnings will be paid out in dividends.

Capitalization

	Author.	Outstand.	Par
Common	2,500,000 sh.	2,348,013 sh.	$1

Price Range

	High	Low
1940	$2.85	$1.25
1939	2.55	1.18

Sherritt Gordon

While early expectations for Sherritt Gordon Mines have failed to be realized, due to the relatively low level of base metal prices the last few years, operations of the company have shown a fair margin of profit recently and the company was able to distribute two dividends of five cents a share each last year. No official information is available on the subject, but it appears possible that further dividend of five cents a share will be paid each half year.

Minewise, there was a development of the first importance at Sherritt Gordon in 1940. Exploration at depth in the company's main mine workings had failed to reveal ore in early work, but diamond drilling to depth in 1940 located substantial ore to the west. It is now known that ore in the west mine has a westerly rake as depth is reached, so worries over depth possibilities have been dissipated.

At the present time, Sherritt Gordon only recovers copper and precious metal values in its ore. However, it is just possible that officials may give some consideration to recovery of zinc values now that a shortage is looming in this metal.

During the last two years, the company has been engaged in exploration in various parts of Manitoba, but no commercial ore body has so far been located.

Capitalization

	Author.	Outstand.	Par
Common	6,000,000 sh.	5,874,432 sh.	$1

Price Range

	High	Low
1940	$1.18	$0.50
1939	2.00	0.75

God's Lake

Recent efforts of God's Lake Gold Mines have been concentrated on sinking the company's new No. 2 shaft at a point over a mile and a quarter west of the original No. 1 shaft. A decision was reached to sink this shaft after it was discovered that ore had a westerly rake necessitating work being carried farther to the west as greater depth is reached.

By the end of last year, the No. 2 shaft was down over 1,000 feet and had been connected up with the original shaft at the sixth level. Before the end of this year, exploration in the western section of the company's property should be well under way.

Costs of the new development programme have caused a considerable contraction in operating profit which amounted to $195,026 for the first nine months of 1940 compared with $370,677 for the corresponding period of 1939. Completion of the No. 2 shaft, however, is expected to bring restoration of old earning level. One dividend of 2½ cents a share was paid in 1940 following initial dividend of five cents a share in 1939. The company is maintaining a strong working capital position with net current assets understood to exceed 20 cents a share.

Capitalization

	Author.	Outstand.	Par
Common	3,500,000 sh.	3,500,000 sh.	n.p.v.

Price Range

	High	Low
1940	$0.60	$0.25
1939	0.65	0.20

Gunnar Gold

With production maintained at an even keel in 1940, it appears that operating earnings of Gunnar Gold Mines have been following closely those in 1939, when the company was able to earn 7.7 cents a share. Due chiefly to increased taxes, however, it is not expected that net earnings after charges this year will be quite so high, although the company is expected to be able to maintain its present dividend rate of 6 cents a share, payable semi-annually.

Following the sinking of the shaft from 1,250 to 1,750 ft. depth in 1940, lateral exploration was started on a series of four new levels. A good stretch of ore was opened up on the 1,750-ft. level but full details are not yet available on levels immediately above. Ore reserves at the end of 1939 were sufficient for something over one year's milling requirements.

Working capital last May was equal to 18 cents a share.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,704,131 sh.	$1

Price Range

	High	Low
1940	$0.64	$0.31½
1939	0.64	0.35

Above or below ground hard rock mines are clean.

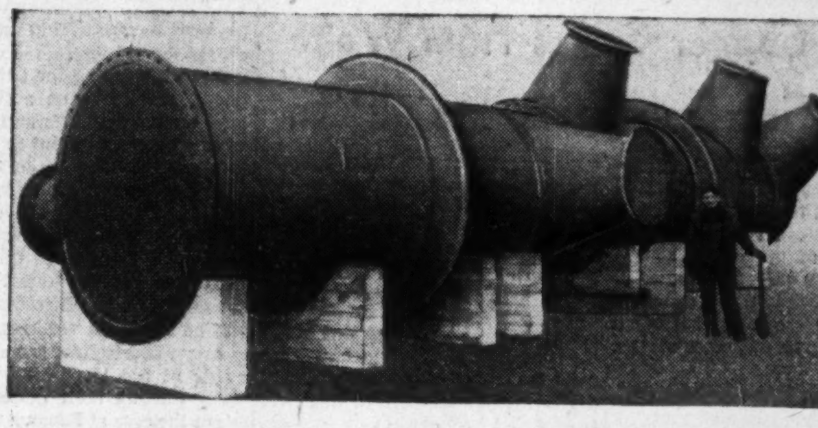
Manitoba, Saskatchewan Gold and Base Metal Output

Total production to end of 1940 .... $131,554,358*
Production in 1940 .... 21,783,170*
Production in 1939 20,362,462

	Output 1940 $	Output 1939 $	Since starting production Output $	Since starting production Dividends $
Hudson Bay M. & S.	*15,500,000	14,231,120	108,688,517	24,821,575
Sheritt Gordon	*3,541,236	3,282,900	12,315,319	587,443
San Antonio	1,260,000	1,245,430	8,550,360	2,370,097
God's Lake	*814,853	941,002	3,943,017	262,500
Gunnar	667,081	662,010	2,913,177	566,368

*Estimated figure.

Steel Tanks and Plate Work



One of four Co-oxidation Heat Exchangers by T. I. W. for a war chemical plant. Each Exchanger equipped with 6250 one inch tubes.

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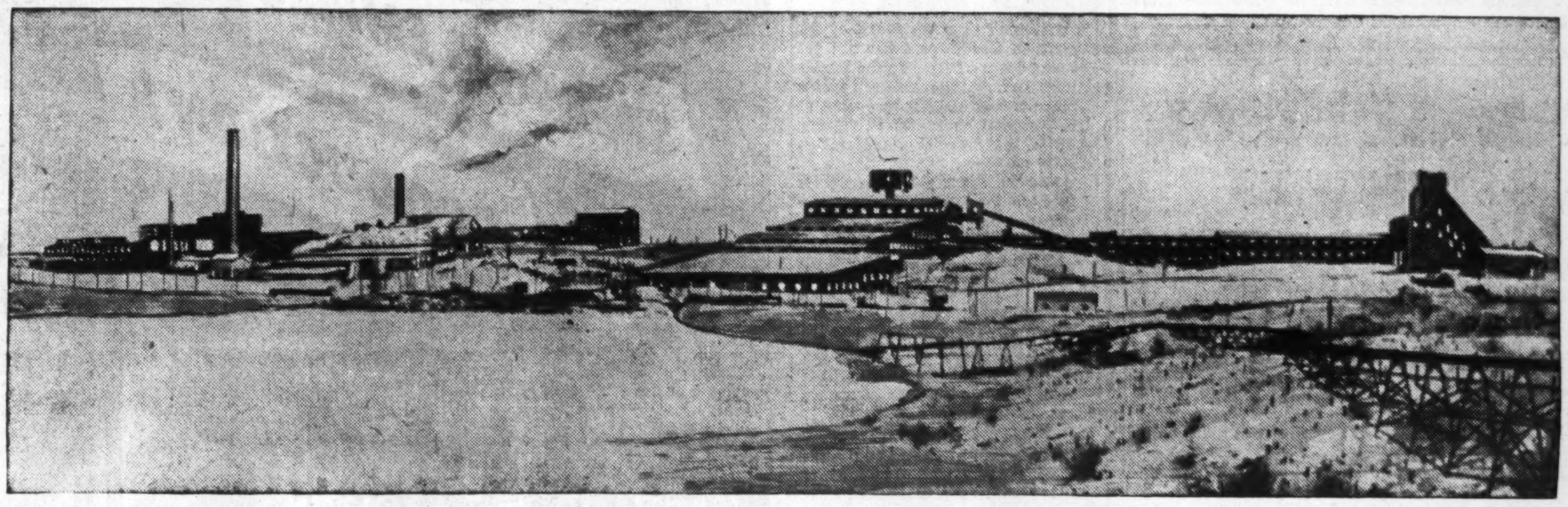
OPERATING SUPREME BOILER & ENGINEERING CO. LIMITED

On the HOME FRONT

In the performance of its normal function — the mining and recovery of gold — this Company, in common with other Canadian Gold Mines, is assisting importantly in the maintenance of the Dominion's domestic economy by increasing the national wealth and providing direct and indirect employment to many people.

Additionally, the Company's product is reinforcing the nation's war effort by providing foreign exchange vital to the purchase of essential fighting equipment.

GOD'S LAKE GOLD MINES LIMITED
(No Personal Liability)
Head Office — 395 MAIN ST., WINNIPEG
Mine Office — GOD'S LAKE, MANITOBA



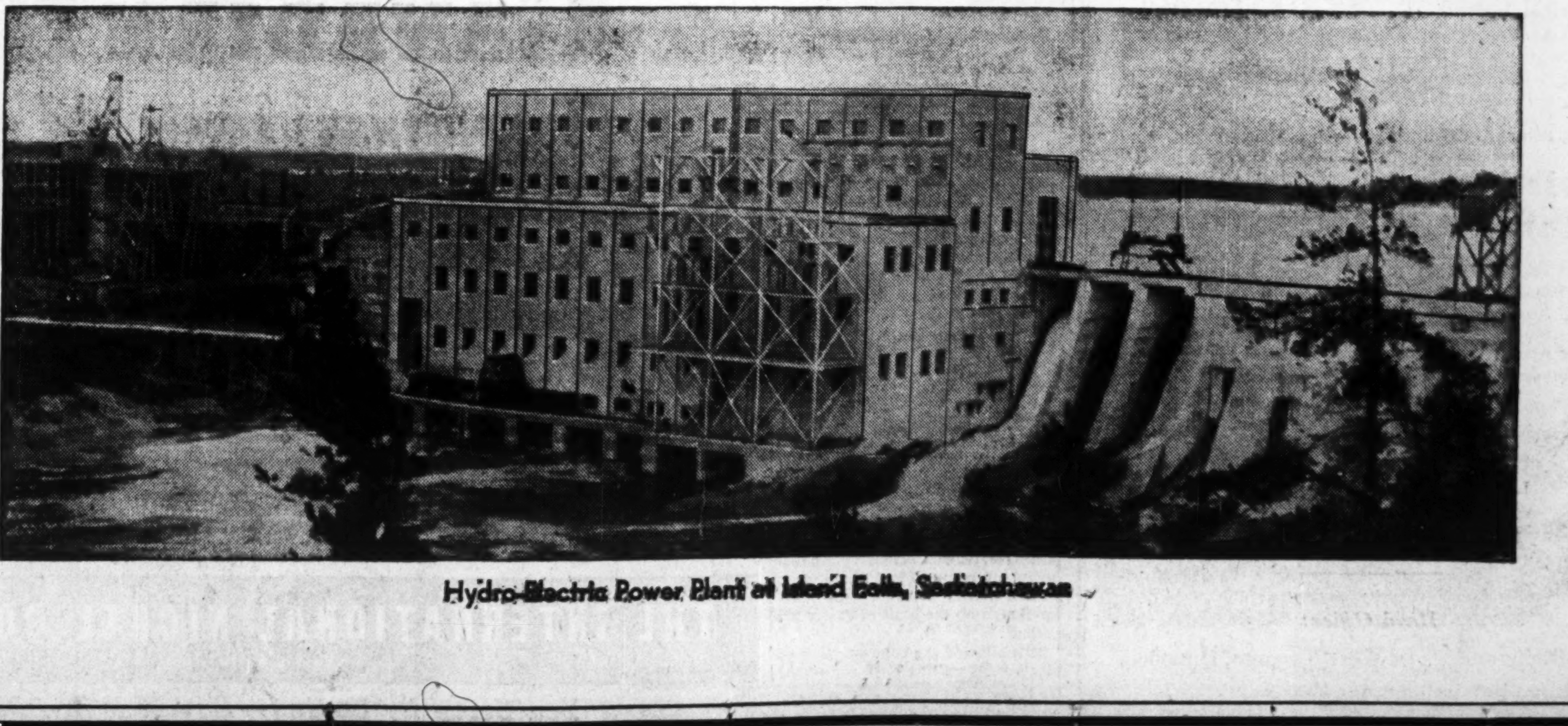
Mine and Metallurgical Plants at Flin Flon, Manitoba

Hudson Bay Mining and Smelting Co., Limited

Incorporated Under The Dominion Companies Act, Dec. 27, 1927

Producers of

COPPER, ZINC, GOLD, SILVER CADMIUM, SELENIUM and TELLURIUM



Hydro-Electric Power Plant at Island Falls, Saskatchewan

Rouyn Increases Its Big Metals Flow

More Copper Comes From Waite And Senator Enters Production

Quebec's leading mining camp—the Rouyn area—witnessed a further expansion of its mining activities during 1940. Not only was the general level of production on the base metal war front increased but gold mining received a new emphasis with the bringing into production of one new mine—Senator Rouyn Ltd.

Evolution has taken place gradually in the Rouyn base metal mining picture. Waite Amulet Mines is taking on a much more important position alongside its parent, Noranda Mines. Production is now coming practically entirely from its famous "A" ore body.

Exploration has quieted down in the Rouyn area, the same as across all Canada. At Joliette, Que., a large tonnage of very low grade copper ore has been located but no production plans have been formulated. Just now there is a programme of diamond drilling being carried on by Gan Copper Mines but exploration in the area is generally slow. Negotiations were recently completed to have ore from Lake Dufault Mines treated at the Waite concentrator.

Noranda

In many respects 1940 was the most important year in the history of Noranda Mines. Total income realized reached a new peak due to the ever-increasing flow of revenue from the company's investments and a still further increase in this item is expected during the current year. However, under a war economy taxes are doubled and net profits for last year were perhaps 10% below the level of 1939. Earnings were still more than adequate for the company's dividend requirements.

Since the outbreak of war Noranda has increased the capacity of its refining subsidiary—Canadian Copper Refiners—from 75,000 to 112,000 tons of refined copper annually. This has not only allowed the company to refine the greatly increased output of its subsidiary, Waite Amulet Mines, but takes care of treatment of copper from such mines as Hudson Bay Mining & Smelting, Aldermac and Normetal, some of these mines formerly having to ship their output abroad for refining.

Emphasis during the current year is expected to be on a still larger gold output from Noranda's Horne mine as copper output is restricted to allow the handling of the larger volume of copper concentrates from Waite Amulet. All the company's gold mining subsidiaries are stressing a large gold output as their contribution to the war effort although the degree to which gold production can be increased varies greatly.

Aunor and Hallnor can step up the grade of ore treated without seriously hurting their mines but this is not the case at Pamour where low grade must be taken along with high grade. In addition to holding operating control of Pamour, Hallnor and Aunor in the Porcupine area, Noranda has a very substantial interest in Kerr-Addison Gold Mines and controls the La India mine in Nicaragua.

Capitalization	Author.	Outstand.	Par
Common	2,250,000 sh.	2,239,772 sh.	n.p.v.

Price Range	High $	Low $
1940	78¾	42¾
1939	83⅞	69

Waite Amulet

Operations of the Waite Amulet Mines are now beginning to take full advantage of the high grade A ore body which was first located in diamond drilling at surface. Exploration of this deposit for mining required a great expenditure of time and money but the work is practically finished now.

Drawing of ore from this ore body is resulting in a greater output of copper concentrates as the ore grade for this deposit is considerably higher than that of ore hitherto put through the mill. Some ore from the A deposit was milled during 1940 but only recently has the company been able to draw practically all its ore from this source.

There is no doubt but that Waite Amulet has been realizing substantial profits. However, the company is concerned over the fact that the Dominion Government has not yet handed down a ruling on the Excess Profits Tax. As the company's profits have increased chiefly by reason of heavy capital expenditures, officials believe that special consideration should be given.

Although rated mill capacity is just 1,000 tons daily, the company is now putting 1,200 tons of ore through its mill.

Capitalization	Author.	Outstand.	Par
Common	3,500,000 sh.	3,300,000 sh.	n.p.v.

Price Range	High	Low
1940	$6.05	$2.70
1939	8.25	5.00

Powell Rouyn

Powell Rouyn Gold Mines turned over its new 450-ton milling plant on Sept. 9, 1940. During the year ended Mar. 31, 1940, an average of 715 tons daily had been shipped to the Noranda smelter for treatment. The arrangements with Noranda were satisfactory but with opening up of ore with a lower silica content shipments became less desirable from the Noranda point of view. This resulted in directors of Powell Rouyn deciding on a mill of their own.

Although the company now has its own mill, shipments of ore with a higher than average silica content are being continued to the Noranda smelter. Roughly, as much ore is shipped to Noranda as is put through the company's own mill.

Operating results of the company took an unfavorable turn during the period of mill construction. In the quarter ended Sept. 30, 1940, an operating loss of $4,456 was experienced. However, with the company's own mill now in steady operation a return of old earning power is expected. In the year ended Mar. 31, 1940, the company earned 28 cents a share and paid out 15 cents a share in dividends.

Capitalization	Author.	Outstand.	Par
Common	1,500,000 sh.	1,250,000 sh.	$1

Price Range	High	Low
1940	$2.18	$0.55
1939	2.45	1.18

Senator-Rouyn

With production commenced at the leased mill of Arntfield Gold Mines on Oct. 15, 1940, Senator-Rouyn was added to the list of profitable producers in the Rouyn area last year. At the present time, the company is engaged in the construction of its own 300-ton milling plant which is scheduled for completion this April.

Development of the Senator property has been carried to a depth of 875 ft. with five levels established.

On Aug. 10, 1940, ore reserves from 225 to 550 ft. depth were estimated at 200,000 tons of indicated ore with an average cut grade of $10.20 per ton. Ore showing below the 500-ft. level was stated to indicate that ore reserves "are probably doubled."

Based on average value of ore reserves and estimated costs, it is possible that the company will realize a profit of around 15 cents a share per annum with the completion of its new mill.

Capitalization	Author.	Outstand.	Par
Common	3,500,000 sh.	3,408,333 sh.	$1
6% 4-yr. notes	$150,000	$150,000	..
6% 3-yr. bonds	400,000	....	..

Price Range	High	Low
1940	$0.57	$0.10
1939	0.55	0.17

Arntfield

When developed ore became practically exhausted at Arntfield Gold Mines last August, officials were fortunate in being able to arrange a custom milling contract with Senator-Rouyn on the basis of $2 per ton milled.

This allowed the company to hold together its milling staff and at the same time revenue estimated at $10,000 to $15,000 monthly was secured for the prosecution of a new programme of exploration for ore bodies.

Diamond drilling is being undertaken both at surface and underground from No. 2 shaft. Enough ore for several months milling operations has been opened up recently.

Capitalization	Author.	Outstand.	Par
Common	5,000,000 sh.	3,573,190 sh.	$1

Price Range	High	Low
1940	$0.17	$0.04
1939	0.17	0.05½

Stadacona Rouyn

Stadacona Rouyn Mines operated in bankruptcy during 1940 under George Duclos, the company's liquidator. During the eight months ended Aug. 31, 1940, an operating profit of $108,654 was realized which improved the company's position materially.

Chief cause of the company's bankruptcy was overissue of notes. A chartered accountant for the Quebec Attorney General's Department testified in court during 1940 that approximately $1,387,000 of convertible interest-bearing notes were outstanding. The company was originally authorized to issue $200,000 of notes. Status of the notes has not yet been established. Trade accounts were reduced to $118,000 early in 1940 and a bank overdraft to $15,000. It is believed that further repayments on accounts have been made since.

Francoeur Gold Mines

Shareholders of Francoeur Gold Mines received concrete proof of the better results being obtained at their property in 1940 when an initial dividend of 3 cents a share was paid on Dec. 20. Aside from increased earnings and the commencement of dividends, last year was featured by discovery in diamond drilling of a new ore zone to the north which is now proving of major importance.

As development in both the north zone and the company's original mine returned generally encouraging results in 1940, mill capacity was gradually raised until 200 tons of ore is now being put through the mill each day compared with 150 tons, the average in early 1940. Treatment of a greater tonnage of ore has not meant any reduction in average grade of ore treated.

Capitalization	Author.	Outstand.	Par
Common	3,000,000 sh.	2,983,333 sh.	n.p.v.

Price Range	High	Low
1940	$0.70	$0.19
1939	0.72	0.15

Aldermac Copper

Milling 1,000 tons of ore daily, Aldermac Copper Corp. was able to operate profitably in 1940 only due to the extremely low level of costs obtained. Copper content of the company's ore of only around 1.75% does not yield a great deal of revenue with the present price for copper. However, the company sells pyrites and considerable additional revenue is derived from this source.

The company is preparing to diamond drill from 1,125-ft. level. The main No. 4 ore body has given poor results at depth. The area to the west of the present working appears to offer good geological chances for ore bodies.

Capitalization	Author.	Outstand.	Par
Common	6,000,000 sh.	5,024,356 sh.	n.p.v.
5% 1st mtge. bonds	$400,000	$400,000	....

Price Range	High	Low
1940	$0.38	$0.10
1939	0.62	0.24

McWatters

During 1940, McWatters Gold Mines increased its milling capacity from approximately 100 to 150 tons daily to allow treatment of a generally lower average grade of ore. As depth has been reached, values have not been so concentrated and the tendency has been to mill a slightly larger tonnage. Back last May, shareholders were informed there was approximately one year's ore ahead at the 150-ton rate.

Operating profits were considerably lower in 1940 than in the previous year and net earnings were probably only half those of 1939, when 5.8 cents a share was earned.

Capitalization	Author.	Outstand.	Par
Common	2,000,000 sh.	1,872,506 sh.	n.p.v.

Price Range	High	Low
1940	$0.58	$0.20
1939	0.75	0.35

Gold and Copper Output in Rouyn

Total production to end of 1940 .... $237,896,167*
Production in 1940 .... 32,638,135*
Production in 1939 30,980,699

	Output 1940 $	Output 1939 $	Since starting production Output $	Since starting production Dividends $
Noranda	*21,300,000	21,813,604	195,014,507	62,896,472
Waite Amulet	*4,000,000	1,943,691	9,470,034	330,000
Beattie	2,720,832	2,430,493	16,713,482	2,737,115
Aldermac	*1,600,000	1,578,788	5,230,404	None
Powell Rouyn	994,627	1,301,538	3,347,443	187,500
Stadacona	*760,000	707,388	2,825,945	None
Francoeur	410,004	359,842	891,036	None
McWatters	407,688	459,123	2,973,616	653,577
Arntfield	*262,775	386,232	1,723,225	None
Senator-Rouyn	(1) 182,209	...	182,209	None

(1) Milling operations commenced Oct. 15, 1940 *Estimated figures.

JASON MINES LIMITED

(No Personal Liability)

CAPITALIZATION—3,000,000 Shares of $1.00 Par Value.

OFFICERS AND DIRECTORS

E. M. THOMSON - Toronto - President

J. H. COLVILLE - Toronto - Director
E. G. CLARKSON - Toronto - Director
E. G. JOY - Toronto - Director
N. BERLIS - Toronto - Director
C. N. HENRY - Toronto - Sec.-Treas.
C. RUTHERFORD - Casummit Lake - Mine Mgr.

A gold producer with milling capacity of 150 tons per day. Property comprises 987 acres at Casummit Lake in the Patricia District of northwestern Ontario. Milling, which commenced on June 15th, 1940, resulted in the treatment of 22,729 tons to year end with a resulting bullion recovery of $396,770, from which a net operating profit of $199,064 was gained. Ore reserves are estimated sufficient to satisfy current milling requirements for a period of approximately three years.

Head Office: 67 YONGE ST., Toronto

Mine Office: CASUMMIT LAKE, Ontario

KERR-ADDISON GOLD MINES

Production Commenced—May, 1938.
Initial Mill Capacity—600 Tons Daily.
Present Mill Capacity—1,800 Tons Daily.
Production to Dec. 31, 1940—$6,515,000.
Div's. paid to Dec. 31, 1940—$709,545.15.

OFFICERS
G. B. WEBSTER—President
J. H. COLVILLE—Vice-President
G. A. CAVIN—Secretary-Treasurer

DIRECTORS
A. H. COCKERAM, F. M. CONNELL
H. S. MONROE, J. H. COLVILLE, A. DORFMAN
J. H. C. WAITE, G. B. WEBSTER

Consulting Engineers—
M. F. FAIRLIE, W. H. EMENS

Manager—W. S. ROW

KERR-ADDISON GOLD MINES LIMITED
(No Personal Liability)
HEAD OFFICE: 80 KING WEST, TORONTO
MINE OFFICE: VIRGINIATOWN, ONT.

MACASSA MINES

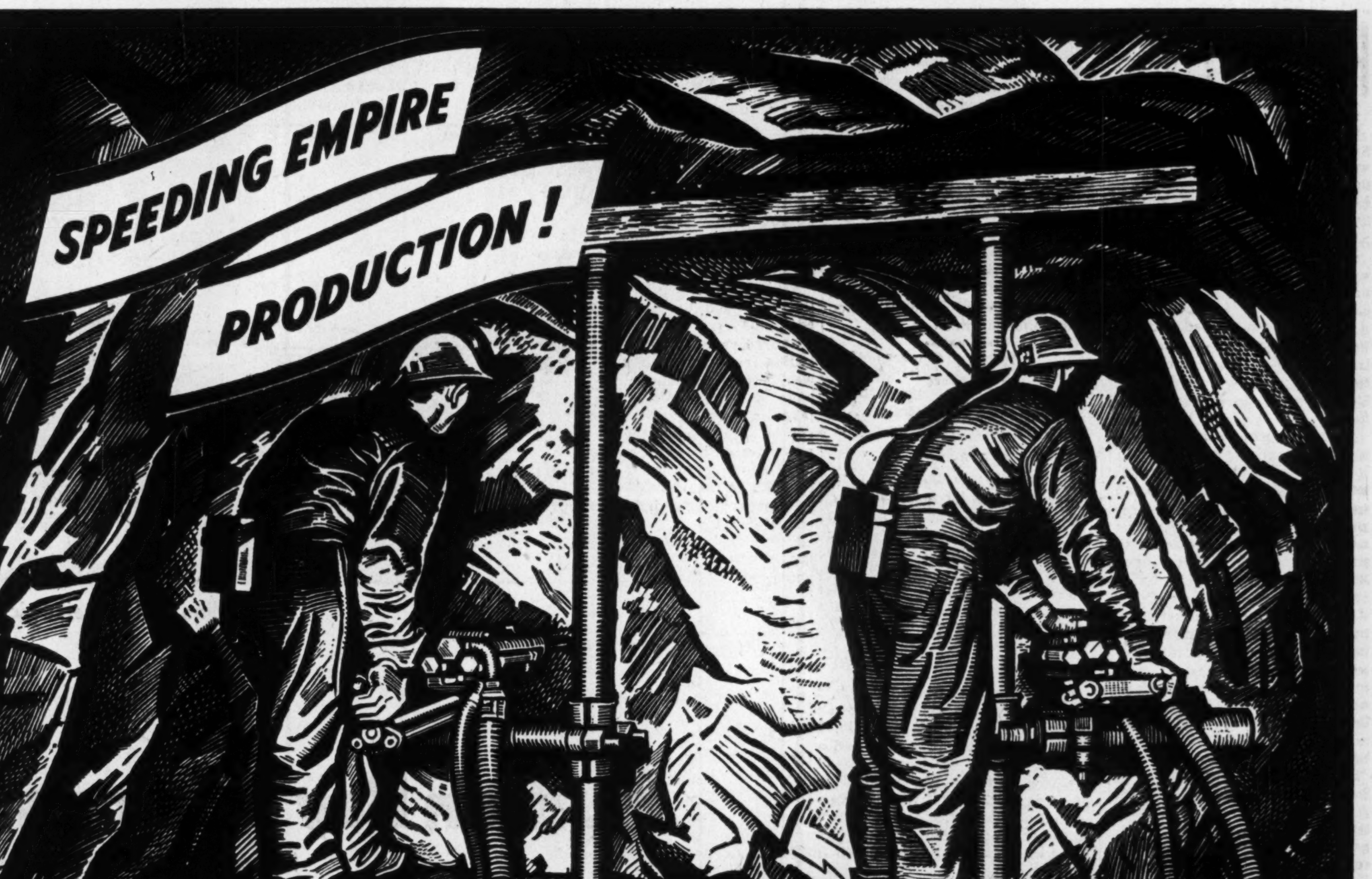
LIMITED
(No Personal Liability)

Capital Authorized $3,000,000
Capital Issued $2,678,068

DIRECTORS:

Robert A. Bryce, *President*, Toronto, Ontario
Hon. Thomas Riggs, *Vice-President*, Washington, D.C.
H. M. Porteous, Montreal, Quebec
John D. Perrin, Winnipeg, Manitoba
Charles R. Leonard, New York, N.Y.
Arthur G. Slaght, K.C., M.P., Toronto, Ontario
Lt.-Col. J. W. Flanagan, Toronto, Ontario
L. Soliague, *Secretary-Treasurer*, Toronto, Ontario
G. A. Howes, *Mine Manager*, Kirkland Lake, Ontario

Head Office:
85 Richmond Street West, Toronto, Ontario



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LIKE GIANT ANT-HILLS are the mines where three shifts of workers push production without cease. Drills burrow, ore cars rumble. Crushers pound. Shafts vomit ore.

From the International Nickel Company's mines in the Sudbury District in Northern Ontario come thousands of tons of ore a day to feed the smelters, refineries and rolling mills of the company in Canada, Great Britain and the United States.

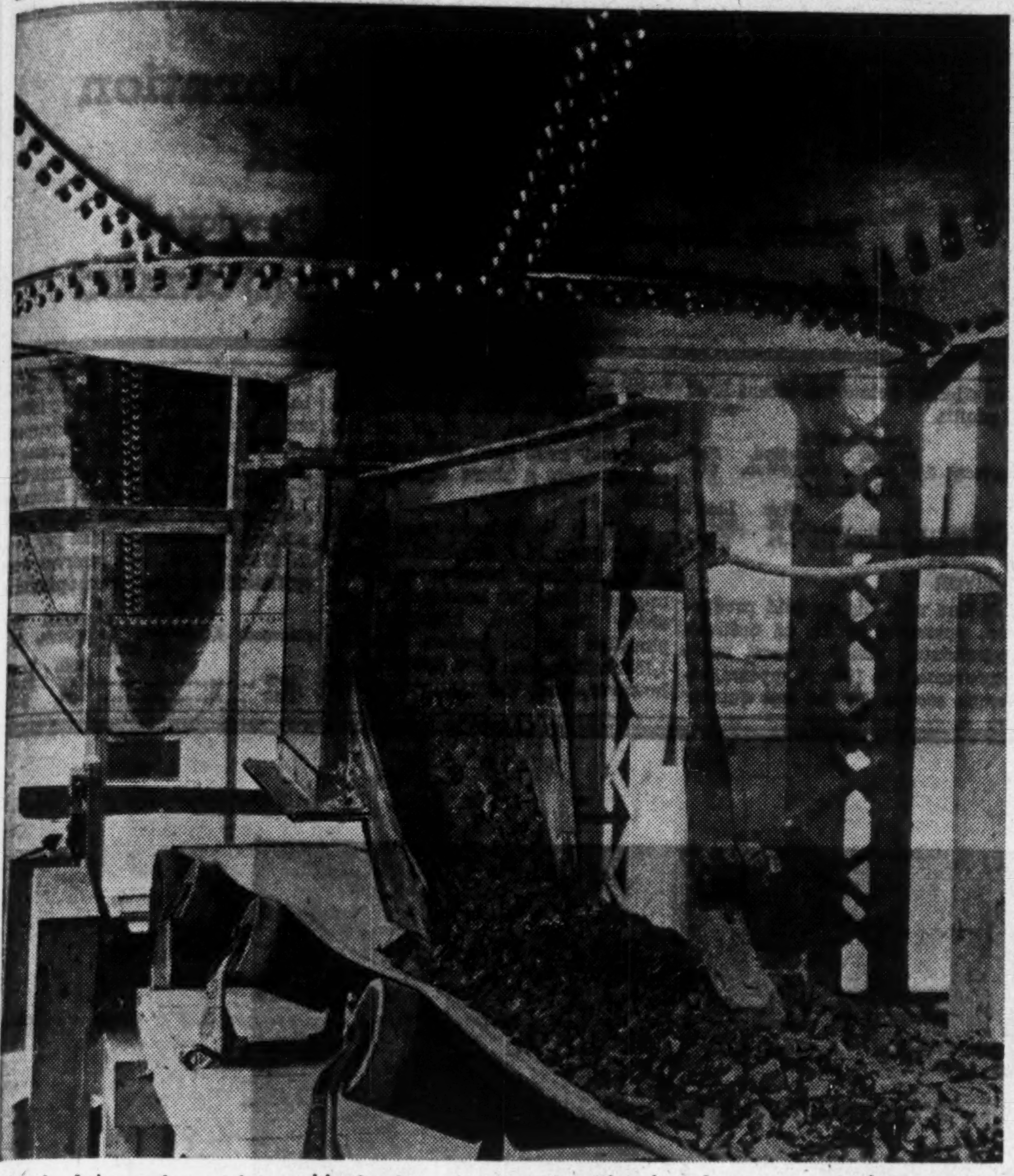
In these mines new production peaks have been reached to bridge the Empire crisis.

For Canadian Nickel, vital to peacetime industry, is also vital in time of war. When alloyed with other metals it makes them tougher, stronger, more resistant to wear and corrosion. So it is used not only in aircraft and motorized equipment, but also in the machinery, tools and equipment being rushed into service to produce the sinews of war.

NICKEL MONEL

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED
25 KING STREET WEST, TORONTO

You Serve by Saving—Buy War Savings Stamps and Certificates Regularly



Much of the equipment in a gold mine is semi-automatic with only a few men required to operate a mill above ground. Pictured above is an ore feeder device to cut down the movement of broken ore to the belt in the event the flow of ore for the next stage in crushing becoming heavier than is desired.

Kirkland Lake Turns East

Kirkland Lake "real estate" is probably the most valuable in the world. At Lake Shore Mines—the area's leading producer—a million dollars in gold has been produced for every acre of ground in the company's property.

But despite this tremendous wealth already extracted, no signs are apparent that values are diminishing in this great producing belt as greater depth is reached. At the Wright-Hargreaves Mines adjoining Lake Shore to the east, values have been found right down to a depth of 6,150 ft.—over a mile below the surface.

The most important development in the Kirkland Lake camp recently has been not in the main central sector of the camp, but out to the east in what not long ago was regarded as only "moose pasture"—and not very good "moose pasture" at that. Disclosures at Upper Canada Mines suggest that other new mines may be developed in the great area of ground lying between the main producing Kirkland Lake belt and the Larder Lake area. Bidgood had been struggling to prove this eastern area from the Kirkland Lake end for years but it remained for Upper Canada to show that the area could pay dividends and turn out big mines as well.

Following Upper Canada's success, Brock Gold Mines has undertaken sinking of a shaft on the property next door after a programme of diamond drilling which determined the extension of the Upper Canada zone. Northland began surface exploration on its property.

At the west end of the Kirkland Lake area, work has been continued on the Amalgamated Kirkland property and exploration has been started on the Casakirk property.

Lake Shore

Operating difficulties centring around the rock burst problem continued important at Lake Shore Mines the past year. Quarterly production showed relatively sharp movements both upward and downward and in the last quarter of 1940 was the lowest reported for many years.

Regulations of the Foreign Exchange Control Board, which prevent the company paying out to non-residents of Canada dividends not fully covered by net profit, have restricted dividend distribution to shareholders but have also served to build up the working capital position, it is believed. Due to these regulations, the company must now follow a policy of paying dividends according to the current level of profits.

The quarterly dividend rate of $1 a share was reduced to 75 cents on Dec. 15, 1939. A further reduction to 50 cents a share was placed in effect the following quarter with distributions continued at 50 cents a quarter since.

Reduction in the milling rate during 1940 was decided on to give the company a better control over mining operations. Direct result was greater safety for the miners throughout the underground workings. Development at depth has revealed good ore and the main problem is mining ore rather than finding it.

Earnings for the fiscal year ended June 30, 1940, amount to $2.77 a share as against $3.54 a share the previous year. Production in the current fiscal year has been somewhat lower and profits may also be running somewhat lower with taxation higher since outbreak of war.

Capitalization

	Author.	Outstand.	Par
Common	2,000,000 sh.	2,000,000 sh.	$1

Price Range

	High $	Low $
1940	32	15¾
1939	50½	28⅜

Wright-Hargreaves

In response to the Dominion Government's appeal for increased gold output from the Canadian gold mining industry, Wright-Hargreaves Mines increased both the quantity and value of gold produced in the fiscal year ended Aug. 31, 1940. Increase in value amounted to slightly over 10%. The increase in the value of output was more than enough to offset a $500,000 increase in taxes with earnings for the fiscal year amounting to 77 cents a share compared with 74 cents a share for each of the two preceding fiscal years. No great change in the level of production has taken place in the current fiscal year.

A further increase in value of ore reserves was reported at the end of 1940 fiscal year with reserves well over 3 years' milling requirements. With the upper horizons of the mine continuing to produce important tonnage of new ore, exploration of new levels at depth has not been pressed.

There has been no real change in the company's dividend policy in recent years. Toward the end of 1940, it was decided to change distributions over to Canadian funds but the dividends declared have continued the equivalent of the former United States funds distributions, after allowing for the premium on exchange.

Capitalization

	Author.	Outstand.	Par
Common	5,500,000 sh.	5,500,000 sh.	n.p.v.

Price Range

	High	Low
1940	$8.15	$4.70
1939	8.90	6.70

Macassa Mines

Broad exploration is the order of the day at Macassa Mines. Not only is the company actively pressing development of its own property at depth, but work is being carried out on three subsidiary exploration projects. Perhaps the most interesting is the Missanable property in the Sudbury area, where diamond drilling has indicated possibilities of a large tonnage of medium grade ore. Renable Mines has now been formed to develop this property.

Under agreements with Hollinger Consolidated and Ventures Ltd., the company is sharing in exploration of the Casakirk and Amalgamated Kirkland properties which adjoin Macassa's property in the Kirkland Lake area. Development of the Casakirk property is being undertaken by a crosscut to the north on the 3,000-ft. level of Macassa while the Amalgamated Kirkland work is being undertaken by a crosscut to the south at the same level.

Near the common Casakirk-Macassa boundary, a "break" has been disclosed with gold values. This will be explored when further crosscutting has been completed.

Estimated earnings of Macassa for the year ended Dec. 31, 1940, amounted to 40.4 cents a share compared with 38.9 cents a share in the preceding year. This increase in profits was achieved by higher output which more than offset nearly trebled taxation. Development now being carried out at depth may result in an increase in ore reserves to a point where increased milling capacity can be considered.

Reserves at the end of 1939 showed a considerable increase over the estimate for the previous year, being sufficient for around 2½ to 3 years' requirements. If exploration of adjoining properties should reveal any quantity of ore, it would apparently be an easy matter to increase Macassa mill capacity to treat the ore opened up.

Dividends are now being distributed at the rate of 32 cents a share per annum, payable quarterly, with an extra of 3 cents a share paid with the last distribution in 1940.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,678,068 sh.	$1

Price Range

	High	Low
1940	$4.75	$2.25
1939	$5.90	3.50

Sylvanite

Favorable results obtained by the Porcupine subsidiary of Sylvanite Gold Mines—Delnite Mines— have had a favorable effect on Sylvanite's earning power. Delnite paid its first dividend of 3 cents a share last April and this was followed by a similar dividend in October. With Sylvanite holding almost two million shares of Delnite stock, close to $120,000 was received from Delnite in 1940.

Sylvanite earnings for the fiscal year ended March 31, 1940—before any dividends had been received from Delnite—amounted to 34 cents a share with 25 cents a share paid out in dividends. The company recently changed its fiscal year from March 31, to Dec. 31, so that the next annual report is expected to cover the broken period of March 31 to Dec. 31, 1940.

There has been no great change in the position of the Sylvanite mine in recent years. Preparations have been made to carry operations to a still greater depth, but the company's workings are still relatively shallow compared with a number of other mines in the Kirkland Lake area.

Capitalization

	Author.	Outstand.	Par
Common	3,300,000 sh.	3,299,500 sh.	$1

Price Range

	High	Low
1940	$3.45	$1.90
1939	3.55	2.70

Kirkland Lake

Kirkland Lake Gold Mining Co. is probably the best example in the Kirkland Lake area of the tendency of older mining operations to broaden out as the years pass.

Although general mining operations have not been carried any deeper since 1934, ore position has been gradually improved. The company was able to report an estimate of ore reserves for the first time in 1937, and total reserves at the end of 1940 were the largest in the company's history at slightly over two years' milling requirements. Diamond drilling in 1940 indicated good ore in a number of veins at depth.

With production in 1940 approximately 18.5% greater than in the previous year, earnings were nevertheless slightly lower at 13.2 cents a share against 14.6 cents reported for 1939, due to a $135,000 increase in taxes.

Capitalization

	Author.	Outstand.	Par
Common	5,500,000 sh.	5,326,698 sh.	$1

Price Range

	High	Low
1940	$1.54	$0.70
1939	1.75	1.00

Teck-Hughes

One of the bright spots in gold mining in the Kirkland Lake area the past year has been the way the property of Teck-Hughes Gold Mines has been responding to development. A few years ago the mine was only given about two years further profitable operation followed by several years of clean-up. Since then, however, development of hanging wall veins has changed the complexion of affairs to a great extent.

Ore reserves have declined only very gradually and at the end of last November there was still sufficient ore in reserve for nearly two years' milling. Reduction in the milling rate is stated to have lifted pressure from mining operations so that more scientific exploration can be carried out. Many of the upper levels thought to have been worked out years ago continue to provide an important proportion of mill feed.

Earnings of Lamaque Gold Mines, a subsidiary company in which a 74.1% interest is held, has allowed a steady increase in Teck profits the last two years. In the fiscal year ended Aug. 31, 1940, dividends received from Lamaque were $1,141,305, or almost half the total profit realized by Teck during the year. Earnings per share have recorded an increase from 33 cents in the 1938 fiscal year, to 42 cents a share in 1939, and 48 cents a share in the year ended Aug. 31, 1940.

Last year working capital showed a slight decline due to approximately $500,000 used to increase the company's holding in Lamaque. However, net cash assets were equal to approximately 80 cents a share on Aug. 31, 1940.

Capitalization

	Author.	Outstand.	Par
Common	5,000,000 sh.	4,807,144 sh.	$1

Price Range

	High	Low
1940	$4.15	$2.40
1939	4.70	3.75

Toburn Gold

Unlike the first 20 years of its existence as a gold mine, the property of Toburn Gold Mines has shown a record of uninterrupted growth the past decade, and early last month the company was able to step up its dividend distribution to the highest rate in its history.

Payments are now being made at the rate of 5 cents regular plus 2 cents extra each quarter, as against 2 cents regular plus 2 cents extra each quarter maintained previously. In 1940, the company made a special

(Continued on page 26)

Kirkland Lake Camp

Total production to end of 1940	$392,385,733
Production in 1940	32,685,317
Production in 1939	34,165,735

	Output 1940 $	Output 1939 $	Since starting production Output $	Since starting production Dividends $
Lake Shore	10,888,106	13,303,604	173,638,487	84,520,000
Wright-Hargreaves	8,687,699	8,219,961	84,041,080	32,656,250
Teck-Hughes	3,577,999	3,444,668	74,100,020	34,681,651
Macassa	2,680,187	2,317,985	11,765,064	3,942,650
Sylvanite (1)	2,659,800	2,486,848	19,569,382	6,137,070
Kirkland Lake	2,052,044	1,731,243	13,400,449	2,815,269
Toburn (2)	1,296,427	1,225,340	10,504,624	1,535,500
Upper Canada	1,077,472	685,755	1,816,774	265,771
Bidgood	403,662	483,520	2,349,602	None
Golden Gate	257,589	266,811	692,283	None
Morris Kirkland	164,332	(3)	507,968	None

(1) Includes predecessors. (2) Includes production of Tough-Oakes-Burnside. (3) Milling resumed Feb. 9, 1940.

McKenzie Red Lake Gold Mines Limited

(No Personal Liability)

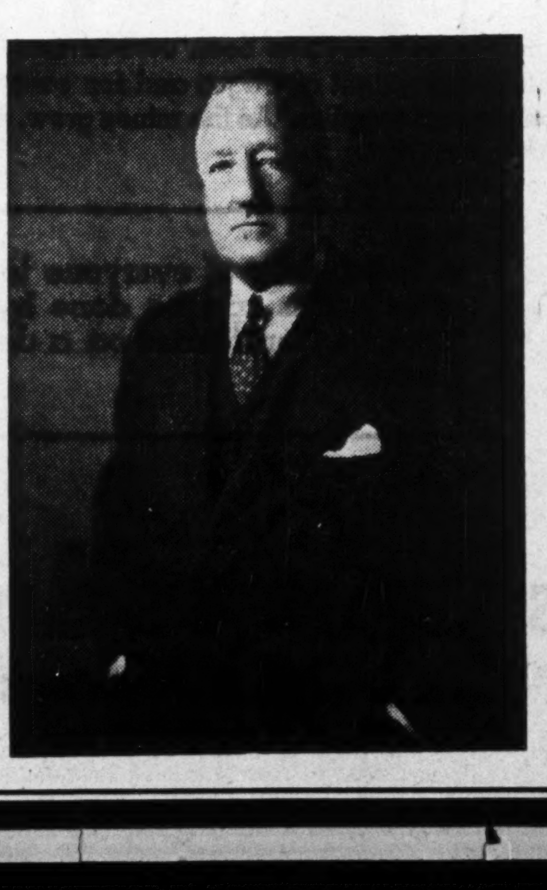
Also Operating McMarmac Red Lake Gold Mines

CAPITALIZATION - - - - - 3,000,000 Shares
ISSUED - - - - - - - - - 2,935,000 Shares of $1.00 par value

DIRECTORS
W. G. ARMSTRONG - - - - *President*
F. D. REID - - - - - *Vice-President*
G. W. QUINN - - - - - - *Director*
H. M. ANDERSON - *Secretary-Treasurer*
A. H. SEGUIN - - - - - - *Director*
M. F. FAIRLIE - - *Managing-Director*
C. A. GENTLES - - - - - - *Director*
J. L. RAMSELL - - - - - - *Mine Manager*

Head Office: PREMIER TRUST BLDG., TORONTO
Mine Office: McKENZIE ISLAND, ONTARIO

HAILEYBURY, ONT. Box 443—G. A. FERRIER .... KIRKLAND LAKE, ONT. Box 968, Phone 1017—K. G. MITCHELL



Keep Going Canada!

At a time when every resource of the British Empire is of vital importance in the struggle for human rights, for freedom, for democracy, the tremendous natural resources of Canada are destined to prove a decisive factor in the ultimate victory and, in the bringing of these resources to the aid of Britain, every Canadian can have a part.

In the development to date of their heritage of natural resources, Canadians have proven themselves a strong, virile race, capable of opening up a new land and building a homeland which is the envy of many other nations and peoples in the world today.

Canada now stands as one of the world's greatest granaries, a treasure chest of precious and base metals, and lumber.

Canada is the logical source of food and other supplies for Great Britain and should occupy an ever-increasing importance in Empire activities.

In the various branches of active service, Canadian youth has answered Britain's call but it is essential that every citizen of Canada should work to help production of the Empire's needs.

The Gold mining industry realizes the importance of its products in making purchases in the World's markets and every effort should be, and is being, expended to increase output at this time that it may help the British Empire maintain the purchasing power she has always enjoyed. The recognition by our Government of gold mining as a means of helping to win the war and of maintaining our economic structure is one of the brighter spots on the horizon.

John E. Hammell

Siscoe - Lamaque Still Forging Ahead

New Sigma Developments Prove Area's Bright Spot

Gold mining in the Siscoe-Lamaque area was one of the bright spots of Canadian mining in 1940. With Sigma entering the ranks of the dividend payers the area led all Quebec gold camps in returns last year.

Productive operations of the areas' four producers showed remarkably little change, taken as a whole. While a greater tonnage of ore was milled than ever before, value of output was practically unchanged from the previous year with a lower average grade of ore treated.

Outside of Sigma, there has been little recent tendency to increase mill capacity. However, there has been no difficulty keeping mills supplied with ore although grade has dropped at Siscoe. When the final figures are in for 1941, it will not be surprising if production proves the best in the area's experience.

The small amount of exploration being carried on in the area is, of course, a source of disappointment. The only encouraging feature is the growing tendency for companies to look around for other promising properties. Sigma Mines, for instance, incorporated Gamma Mines on an adjoining group of claims and considerable exploration has been carried out. Lamaque prefers to let its parent company, Teck-Hughes, carry on exploration for new properties but Siscoe Gold Mines really branched out into the exploration field last year.

Sigma

Expansion of mill capacity at Sigma Mines was one of the bright spots of Quebec gold mining. From an average milling rate of less than 750 tons daily at the end of 1939, the company has been increasing facilities to allow treatment of 1,000 tons of ore daily. Even this milling rate does not set a limit to expansion and further increases are a possibility if development results continue as good as last year.

Sigma is now in the position where a relatively limited amount of work might result in a very substantial increase in ore reserves. While the company has 16 levels established from its shaft only the first four levels have been mined to any great extent. Development on the 16th level has disclosed ore and the ore zone appears to be just as strong as at the upper horizons. During 1940 the company installed a hoist capable of operating to 3,000 ft. depth. This hoist is expected to allow expansion of development during the current year.

Earnings of Sigma in 1940 were probably higher than those in the preceding year when 72 cents a share was earned. Production showed an increase of approximately 13% in 1940 and it is doubtful if this increase in output was entirely offset by higher taxes and operating costs. With a further increase in production practically assured for this year, it appears that still higher earnings are on the way. No recent statement on ore reserves is available; at the end of 1939 they were equal to something over three years milling requirements.

Sigma's president is Alex. Fasken, Toronto.

Capitalization	Author.	Outstand.	Par
Common	1,000,000 sh.	1,000,000 sh.	$1

Price Range	High	Low
1940	$9.00	$4.00
1939	9.25	5.20

Lamaque

Although production at Lamaque Gold Mines showed practically no change in dollar value in 1940, earnings have shown a slight decline due to the increased proportion of operating profit that must be paid out in taxes. Net profit for 1940 was around 60 cents per share compared with 67 for 1939.

The company's mining operations have been carried on steadily the past year. Ore reserves have been slightly increased in tonnage and are sufficient for two years milling operations. Exploration during 1941 will be carried to greater depths than ever before with the big No. 7 shaft being completed to 3,600 ft. depth. Development of the section of the mine between 1,200 and 2,400 ft. has, of course, only been partially completed so that mining of the section below 2,400 ft, is something for the future.

Most of the Lamaque's ore still comes from what is known as the "main plug." Besides this, there is another smaller plug to the east in which considerable ore was opened up above the 1,800-ft. level. Faulting was encountered in this section at the 1,800-ft. level but exploration is now being carried out on the 2,000, 2,200 and 2,400-ft. levels.

There are several places where new ore shoots may be located on the Lamaque property but exploration of these ore chances will take considerable time.

Capitalization	Author.	Outstand.	Par
Common	3,000,000 sh.	3,000,000 sh.	n.p.v.

Price Range	High	Low
1940	$7.25	$4.75
1939	7.30	5.50

Siscoe

While production and profits of Siscoe Gold Mines continued to decline in 1940 with the mining of still lower average grade of ore, some indications have appeared on the horizon that 1941 may see improvement.

Last December, in an interim report to shareholders, it was reported that the year end estimate of ore reserves would probably show some decline in tonnage but that grade should be well maintained. This suggests that the average grade of ore treated this year has been approximately the same as that in reserve.

Considerably higher than average grade ore has been opened up in the "Hope" vein which is proving a welcome addition to the company's ore resources. Some encouragement has also been obtained in surface drilling of the No. 26 zone and in work at depth in the K zone.

With approximately $1 million in the company's treasury, officials have been busy in the last year in investigating properties most of which have been in Quebec. At the present time the company is participating with other large mining companies in the development of the property of Vicour Gold Mines where work is stated to be continuing with some encouragement.

The company reduced its dividend rate to 10 cents per share per annum in 1940 which is understood to be a rate slightly below the recent level of profits.

Capitalization	Author.	Outstand.	Par
Common	5,000,000 sh.	4,640,063 sh.	$1

Price Range	High	Low
1940	$0.95	$0.47
1939	1.65	0.62

Sullivan

In line with higher gold production, operating profits of Sullivan Consolidated mines showed some improvement in 1940. it appears, although results for the last quarter have not yet been issued. Taxes were higher in 1940, however, and after all charges, earnings for last year may have been slightly below the 10 cents a share reported for 1939.

While 11 levels have been established down to a depth of 1,150 ft. at the Sullivan mine, most of the mining has so far been carried out above the 550-ft. horizon. Exploration on the bottom level at 1,150 ft. depth has been encouraging, however, and the management is considering opening up two levels below 1,150 ft. when the new incline shaft is completed for this purpose.

Late last year a 10% increase in production was placed in effect. This is expected to help offset increased costs of operation and higher taxes which the company must pay now. In March, 1940, ore reserves were sufficient for three years operations.

Capitalization	Author.	Outstand.	Par
Common	4,000,000 sh.	4,000,000 sh.	$1

Price Range	High	Low
1940	$1.02	$0.50
1939	1.01	0.58

Siscoe-Lamaque Camp

Total production to end of 1940	**$52,964,493***
Production in 1940	**10,199,265***
Production in 1939	**10,006,414**

	Output 1940	Output 1939	Since starting production	
			Output	Dividends
	$	$	$	$
Lamaque	*4,897,489	4,832,831	20,891,594	3,210,000
Sigma	2,278,638	2,038,519	7,120,291	450,000
Siscoe	1,775,209	1,953,901	19,727,818	7,049,588
Sullivan	1,247,929	1,181,163	5,224,790	1,040,000

* Estimated figure.

Kirkland Lake Turns East

(Continued from page 25)

extra dividend of 4 cents a share on Dec. 27.

Although production of the company showed an increase last year, it appears doubtful that earnings exceeded the 19.5 cents a share reported for 1939, due to the increase in taxation caused by the war. It appears the company will be able to increase working capital still further, while maintaining the current dividend rate, if production is maintained. Data available suggest working capital is now in the neighborhood of 60 cents a share.

Toward the end of last year, the company was preparing for a programme of lateral development on a series of deep levels. This programme will extend down to the 2,500-ft. horizon, a section of the property which has not yet received any extensive exploration. Most of the production so far obtained has come from the old workings down to the 1,090-ft. level. There is still several years' ore reserve on these levels.

Control of Toburn Gold Mines is held by Premier Gold Mining Co., which in turn is controlled by interests associated with American Smelting and Refining Co.

Capitalization	Author.	Outstand.	Par
Common	2,000,000 sh.	1,850,000 sh.	$1

Price Range	High	Low
1940	$1.90	$1.00
1939	2.30	1.40

Upper Canada

Work at Upper Canada Mines the last year has revealed an ore zone of major proportions. Through drilling and drifting, the company's main "H" zone has now been proved for a length of 3,700 ft. of which over half a mile comprises underground workings.

Altogether the company has three ore zones with the bulk of mill feed still coming from the three zones from above the 500-ft. horizon, although underground work has been carried to a depth of 1,000 ft. and diamond drilling shows the ore zone to extend to at least 1,200 ft. depth.

Emphasis at Upper Canada from the beginning has been on keeping development well ahead of milling requirements. Last month the company made a decision to sink a new shaft about half a mile to the west of the present outlet with work scheduled to commence early this spring.

Dividends are being maintained at 12 cents a share per annum, a very conservative basis considering current profits. A substantial working capital position has been built up during the past year and when the new shaft programme estimated to cost $200,000 is completed, the way will apparently be cleared for higher dividend distributions if this is desired.

Capitalization	Author.	Outstand.	Par
Common	3,000.000 sh.	2,953,009 sh.	$1

Price Range	High	Low
1940	$2.41	$0.55
1939	0.87	0.52

Golden Gate

Ore possibilities at Golden Gate Mining Co. were expanded last year when the adjoining property of Crescent Kirkland Gold Mines was taken over. Development of the Crescent Kirkland property has shown a length of over 130 ft. of ore in an adit extending 120 ft. below surface.

At the Golden Gate mine proper the shaft was deepened during the year for the opening up of new levels at 725, 850, 975 ft. depth.

Ore is obtained from a number of rather flat-lying veins at the Golden Gate mine. While they contribute a substantial tonnage of ore, it is difficult to estimate the amount of ore in reserve.

Capitalization	Author.	Outstand.	Par
Common	5,000.000 sh.	3,500,000 sh.	$1

Price Range	High	Low
1940	$0.22	$0.07¾
1939	0.25¼	0.15

Bidgood Kirkland

Although the supply of developed ore remaining is relatively small, Bidgood Kirkland Gold Mines continues to mill around 130 tons daily while carrying on its search for more extensive sources of new ore.

Development work near the No. 12 vein has disclosed three new ore shoots on the 1,025-ft. level, two of which are parallel to the No. 12 vein while the third represents an extension. The first two shoots are about 125 ft. in length.

Another new ore chance exists on the 750-ft. level where a drill hole has picked up values a little south of and 250 ft. to the west of No. 12 vein.

Capitalization	Author.	Outstand.	Par
Common	4,000.000 sh.	3,706,715 sh.	$1

Price Range	High	Low
1940	$0.52⅛	$0.09
1939	0.30	0.09¼

Morris Kirkland

Milling operations were resumed at the property of Morris-Kirkland Gold Mines in February, 1940. A considerable quantity of lower grade ore had been opened up, but the company is still looking for a better grade deposit that would allow an adequate margin of operating profits.

Capitalization	Author.	Outstand.	Par
Common	3,000,000 sh.	2,892,717 sh.	$1

Price Range	High	Low
1940	$0.08	$0.02
1939	0.20	0.04

Connell Mining & Exploration Company Limited

Mining Properties Optioned and Developed

1001 FEDERAL BUILDING — TORONTO (2) ONTARIO

The

Chesterville

Larder Lake Gold Mining Company Limited

(No Personal Liability)

Authorized Capital.......2,000,000 Shares.......$1.00 Par Value
Issued 1,735,559 (of which 27,100 are held in trust for the Company)

OFFICERS and DIRECTORS

L. J. KEARNS - - - - - - Detroit, Mich. - - - - - - - President
J. B. STREIT - - - - - - - Toronto, Ont. - - - - Vice-President
J. T. KEARNS - - - - - - - Toronto, Ont. - - - - Secretary-Treas.
E. V. OAG - - - - - - - - Toronto, Ont. - - - - - - Director
J. G. WEIR - - - - - - - - Toronto, Ont. - - - - - - Director
Mine Manager—L. T. POSTLE

PROPERTY—The Company's property consists of approximately 743 acres located in the Larder Lake area of Northern Ontario about 3 miles from Cheminis on the N.C. Railway.

Production since inception of milling operations on June 15th, 1939, to December 31st, 1940: $1,775,737 from 317,880 tons.

During the year the mill has been stepped up from 500 to 700 tons daily.

Main shaft will be deepened to 1,250 feet and five new levels established.

Head Office — 330 BAY ST. — Toronto, Ont.
Mine Office — KEARNS — Ontario

FRANCOEUR
GOLD MINES LIMITED

Capital - 3,000,000 shares - No par Value

OFFICERS

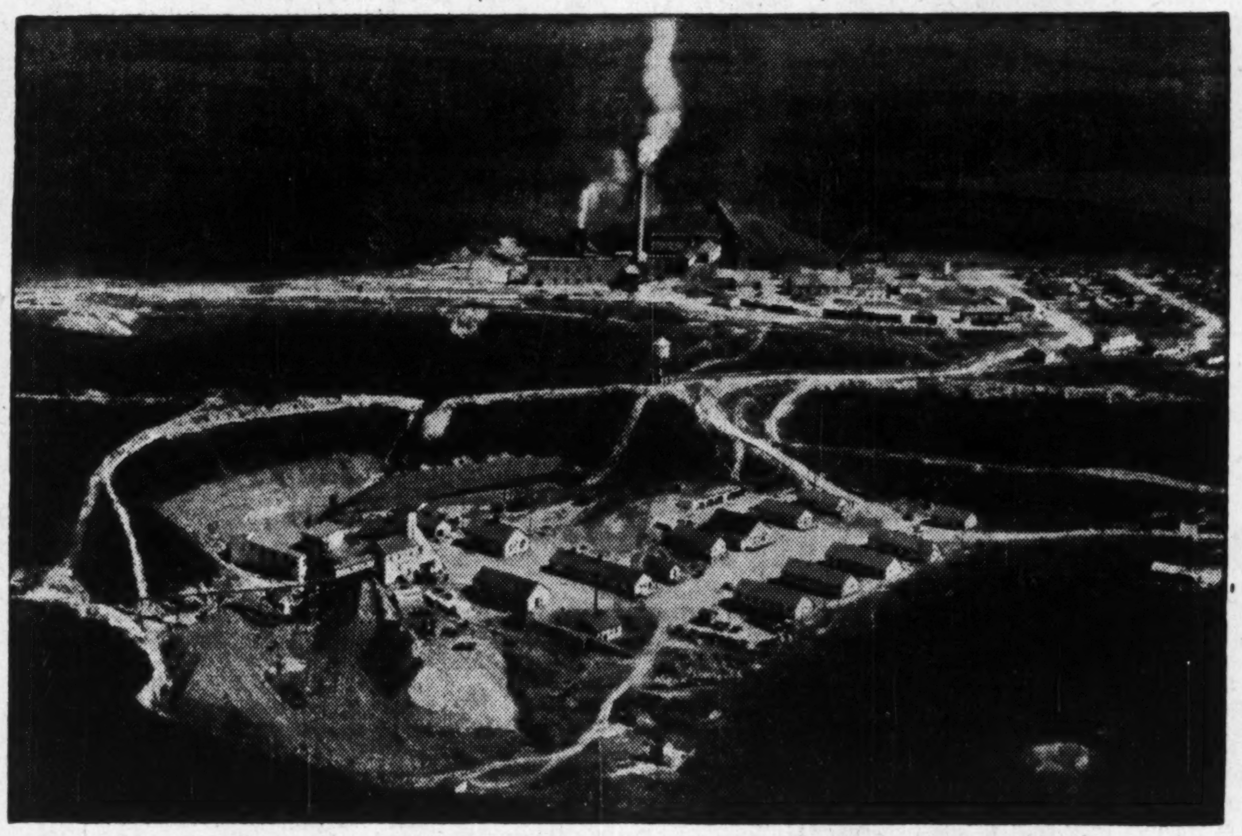
C. D. H. MacALPINE, *President*
A. A. MacKAY, *Vice-President*
P. C. FINLAY, *Secretary-Treasurer*
J. C. NORTON, *Assistant Secretary-Treasurer*

DIRECTORS

C. D. H. MacALPINE — LEO H. TIMMINS
HON. MAURICE DUPRE, K.C.
A. A. MacKAY — P. C. FINLAY
W. P. ALDERSON — F. J. BAILES

***Head Office* — 941 Dominion Square Building, MONTREAL, Que.**

Mine Office — ARNTFIELD, Que.



The Production of Gold and other War Metals must go on!

WAR emphasizes the national importance of opening up new treasures of gold and nickel and copper—for every ounce produced is a vital addition to Canada's fighting strength . . . Ventures Limited and its associates, therefore, are extending to the utmost, their efforts of development and production. The substantial expenditures which they have made during the past decade are being continued and increased in the light of national needs.

Through the activities of Ventures Limited, funds are made available for the discovery, examination and development of promising mining properties . . . Preparatory work . . . drilling, sinking shafts, building plants . . . involves multitudinous costs . . . then, the actual mining operations mean further large expenditures . . . the millions distributed by Ventures Limited and its associated group of operating companies are shown in the table below:

Company	1929 to 1937 inclusive	1938	1939	TOTAL
Ventures Limited	$ 3,793,423.84	$ 159,430.28	$ 229,497.02	$ 4,182,351.14
Falconbridge Nickel Mines Limited	17,706,989.69	3,196,010.63	3,714,421.41	24,617,421.73
Sherritt Gordon Mines Limited	7,736,949.49	2,585,610.57	2,771,787.05	13,094,347.11
Sudbury Basin Mines Limited	1,560,688.86	41,051.38	75,311.28	1,677,051.52
Coniaurum Mines Limited	7,641,559.46	1,153,107.71	1,148,979.75	9,943,646.92
Beattie Gold Mines Limited	9,539,128.65	1,644,444.88	1,561,283.99	12,744,857.52
Matachewan Consolidated Mines Limited	1,907,969.07	659,122.66	641,013.46	3,208,105.19
Canadian Malartic Gold Mines Limited	2,249,872.12	759,872.09	761,722.82	3,771,467.03
	$52,136,581.18	$10,198,650.20	$10,904,016.78	$73,239,248.16

Most of the money so spent has been earned from mining operations. In turn it has been distributed in payment of wages and for railway and steamship freight, electric power, equipment and supplies. As the mines grow, workers in other industries reap some of the benefits.

It is the duty of everyone to help the war effort. This can be done by buying War Savings Certificates on a definite, regular basis.

VENTURES LIMITED AND ASSOCIATED COMPANIES

HEAD OFFICE: 25 KING STREET WEST, TORONTO, ONTARIO

B. C. Base Metals Hit Top Capacity

Consolidated Smelters Expands Leading Output Still Higher

British Columbia's base metal mines have met the challenge to increased production on every front the past year. Not only has capacity of certain units been expanded at the huge metallurgical enterprise of Consolidated Mining & Smelting Co. at Trail, but the same company has brought into production a mercury mine, the largest in the British Empire.

Operations in copper mining, in which consolidated does not participate, continued active during the year.

With no copper smelting facilities available in British Columbia, copper concentrates had previously been shipped directly from B. C. to Japan, with other copper reaching Japan after smelting in the States. This situation has been changed by the Metals Controller, so that no Canadian copper reaches Japan either directly or indirectly.

Undoubtedly the province's base metal enterprises will strive to increase output still further to meet the tremendous need that exists. Demand for zinc is strong and new sources of this metal are being sought.

Search for key war metals is being spurred by the success of Consolidated Smelters in developing a source of mercury. Recently an eastern company sent a representative to the Pacific coast for the express purpose of looking over the prospects for further mercury producers. Outlook for other war metals is encouraging. Molybdenum and manganese prospects are particularly bright.

Consolidated Smelters

Ranking only second in importance to International Niickel Co. in strategic importance to Canada's war effort in the mining field, Consolidated Mining & Smelting Co. is working at capacity, turning out tremendous quantities of lead and zinc. Production of zinc is particularly important.

The company also produces mercury, antimony and other necessary war metals. Gold also brings in important revenue.

To assist the war effort further the company will operate without profit a chemicals plant being constructed to use Turner Valley gas output. After the war this plant can be adapted to manufacture of fertilizers.

Details on 1940 operations are not yet available, but in view of the high level of output, it appears likely that profits were at a substantial level in spite of fixed prices for lead and zinc. In 1939, when the company was operating at full capacity only part of the year, earnings were equal to $2.85 a share. The company must now allow for both increased corporation tax and excess profits tax before arriving at net profits.

With no tremendous capital expenditures last year, it appears likely that working capital may show a further improvement over the $10 millions reported for the end of 1939.

Capitalization

	Author.	Outstand.	Par
Common	4,000,000 sh.	3,276,330 sh.	$5

Price Range

	High	Low
1940	$49.00	$28.50
1939	61.00	37.50

Granby Consolidated

Following the Government ban on copper exports to Japan, Granby Consolidated Mining, Smelting & Power Co. negotiated a satisfactory contract for its copper concentrates with the American Smelting & Refining Co. Concentrates, accordingly, are now shipped for treatment to the latter company's smelter at Tacoma, Wash. Copper may be returned to Granby if either the Canadian or British Government desires to purchase it. The change is expected to reduce the company's profits somewhat, it is stated.

Growth at Granby Consolidated has been one of the outstanding developments of British Columbia mining in recent years. While figures are not available for 1940 output, it is understood that the company operated at capacity for the entire period. Earnings for the first nine months of last year were equal to $1.12 a share, slightly higher than for the same period the previous year.

Production of the company was scheduled to be stepped up to 5,000 tons daily from a previous rate of 4,500 tons on completion of an additional unit to the power plant last September. With this greater production rate in effect during the current year, it seems reasonable to anticipate record production for 1941. Ore reserves are very substantial at close to 10 years' milling requirements.

Capitalization

	Author.	Outstand.	Par
5% 5-yr. debentures	$750,000	$288,000	..
Common ..	600,000 sh.	450 261 sh.	$5

Howe Sound

At the Britannia subsidiary, Howe Sound Co., a shortage of skilled labor developed last year and it became necessary to reduce the scale of operations on Nov. 1. Production of copper by Howe Sound Co., however, showed an increase in 1940 over 1939.

A pilot shaft is now being sunk from the main 4,100 adit at the Britannia mine and it is anticipated that a full size shaft will be sunk later when sufficient information is available. Development is being pushed to keep a good supply of ore ahead of the big 6,000-ton daily capacity concentrator.

Capitalization

	Author.	Outstand.	Par
Common ..	600,000 sh.	474,291 sh.	$5

Base Metals

Operations of Base Metals Mining Corp. have been carried on at capacity recently. Drawing of ore from the Kicking Horse mine was scheduled to commence early this month, giving the company two sources instead of one place for drawing ore.

A new sales agreement covering zinc concentrates was negotiated, effective Oct. 25, 1940, which is expected to result in a higher return for the company's output of zinc concentrates. Production is marketed in the States and the company does not come under the fixed contracts with the United Kingdom.

Higher metal prices are now allowing extraction of a fair tonnage of what was formerly marginal ore in the Monarch mine. Ore reserves at both mines are not large, but some new ore continues to be opened up.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,330,714 sh.	n.p.v.

Price Range

	High	Low
1940	$0.33	$0.07
1939	0.34	0.10⅝

Working underground requires a large amount of timbering, especially where wall rock is weak. At the top of the picture is a good example of a contorted quartz vein drilled off ready for blasting.

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Nesbitt, Thomson & Company has been closely associated with the development of several mines which have come into production within the past few years. These include East Malartic, Perron, Sladen Malartic, Malartic Goldfields and O'Brien, which produced over $8,500,000, in 1940.

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BRANCHES IN THE PRINCIPAL CITIES OF CANADA

184A

Crow's Nest Pass Coal Output Up in 1940

Output of the Crow's Nest Pass Coal Co. for 1940 was 213,059 tons above 1939, which in turn showed a gain of about 118,000 tons over 1938. Output of coke last year was 66,961 tons, a gain of 9,611 tons over 1939.

Shipments to Canadian points in 1940 amounted to 614,232 tons, up 183,351 tons from 1939 while shipments to U. S. points totalled 83,654 tons compared with 64,758.

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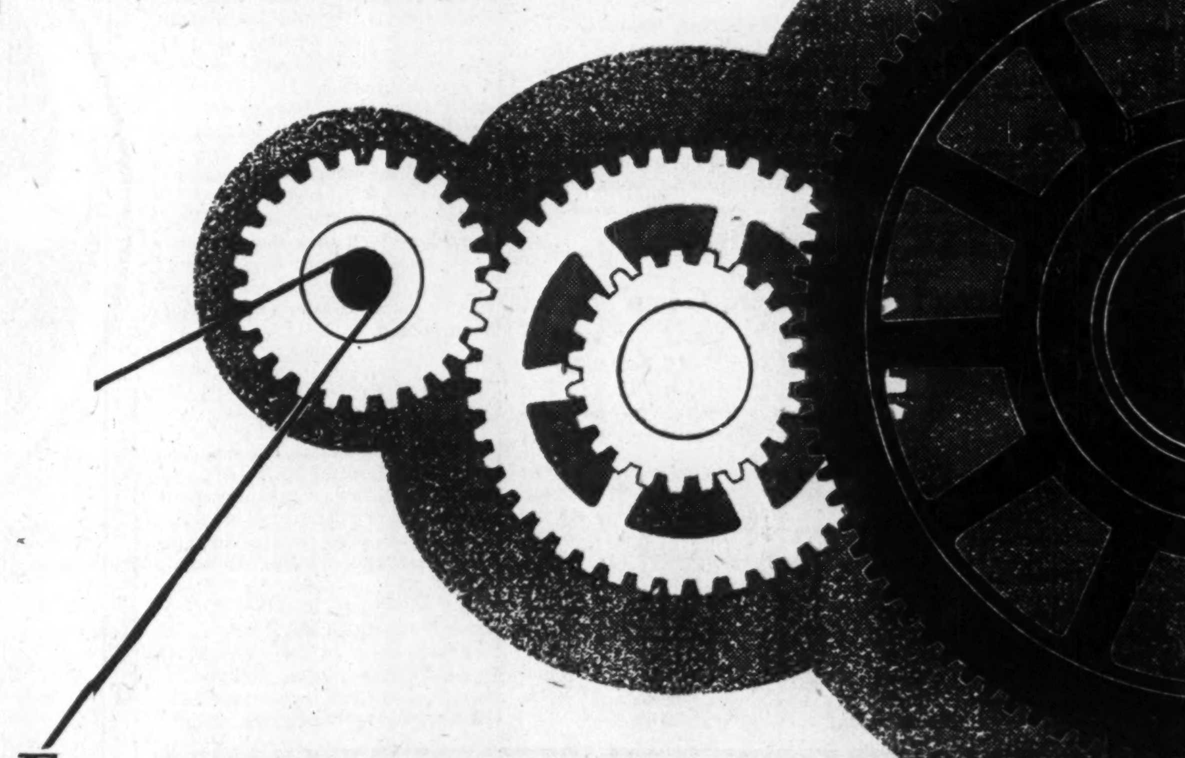

FOR many years, while the mining industry in Canada has developed steadily and progressively, Northern Electric has been privileged to play no small part in this development. Through its strategically located distributing centres in the heart of the mining districts, passes a steady stream of electrical products, each an efficient cog in the gears of this great industry.

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MacLeod Sparks Little Long Lac Area

Huge New Ore Body Points to Larger Mill Capacity

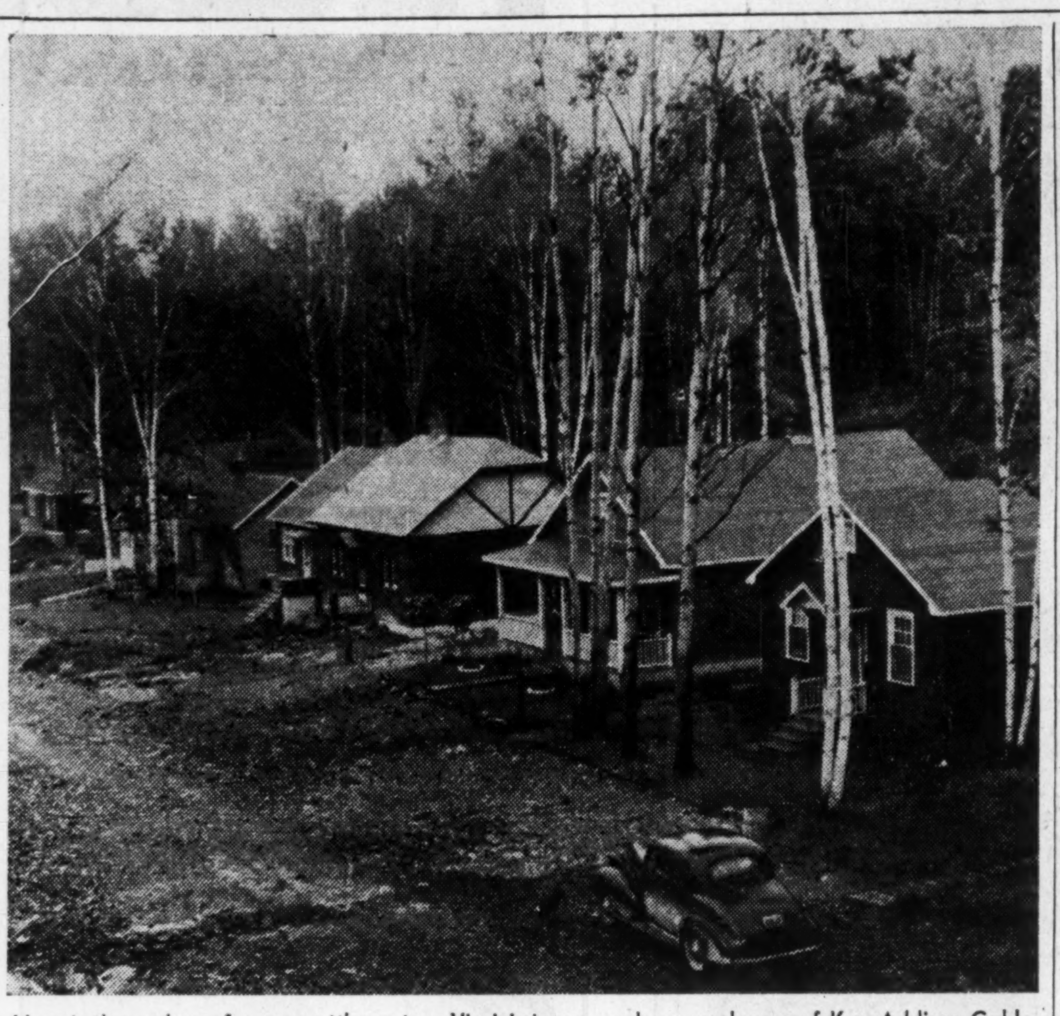
Development in the Little Long Lac-Beardmore mining section of Ontario last year suggest that full possibilities of the area are only now being disclosed.

Outstanding development of 1940 was the outlining of a new ore body at MacLeod-Cockshutt Gold Mines—apparently the biggest ore body ever opened up in the area's history.

But MacLeod-Cockshutt did not have a corner on all the favorable developments last year. Magnet Consolidated was able to show more and better grade, with work carried to greater depth. Hard Rock laid plans for increasing mill capacity. A new shaft is being started south of Little Long Lac Gold Mines on the property of McLellan Gold Mines.

Bankfield and Tombill are still searching for further ore with some prospect of success.

In the Beardmore sector Sand River found much improved ore on a new bottom level, while Leitch completed its shaft for a block of five new levels. Northern Empire found little ore on two new levels, so continued shaft sinking and exploration is now under way at still greater depth.



Here is the nucleus of a new settlement — Virginiatown — where employees of Kerr-Addison Gold mines live. Mining companies often assist employees to build comfortable homes, undertake installation of water and sewage systems, and sometimes even provide recreational centres.

MacLeod-Cockshutt

Big things are expected at MacLeod-Cockshutt Gold Mines this year and next. New ore exposures may bring a boost in mill capacity from 650 to perhaps as much as 1,000 tons a day. In spite of the fact that the company is now milling the largest tonnage in its history, average recovery has been increased to around $9.50 a ton compared with an average of around $8.50 a ton in the first part of last year.

Chances are that recovery will be further increased as the company's engineers work on the problem of tailings which run around $2 a ton.

By far the most important development at MacLeod-Cockshutt in 1940 was discovery of the new west zone, which is unfolding as the most important ore deposit ever located on the company's property. Diamond drilling at the 500-ft. level indicated 2,263 tons of ore per vertical foot with a cut grade of $9.10 a ton. Drilling to depth indicated an even greater tonnage and better grade.

Development of this ore body is the big job for this year. It is hoped that results will mean a doubling of the ore reserves, which total around 750,000 tons, for the north and south zones.

Earnings in the fiscal year ended Sept. 30, 1940, totalled 17 cents a share as against 10 cents a share the previous year. While the broad programme of development now under way tends to hold down earnings, higher production may soon more than offset higher costs, resulting in better earnings. Next fiscal year may show lower costs from curtailed development and still higher production due to increased mill capacity.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,862,490 sh.	$1

Price Range

	High	Low
1940	$2.74	$1.00
1939	3.20	1.30

Little Long Lac

Operations of Little Long Lac Gold Mines have been characterized chiefly by their stability in recent years. Practically all the company's ore has been obtained from the one main vein which has stood up remarkably well as depth has been reached.

Opening of the four bottom levels at from 1,750 to 2,200 ft. depth has disclosed good ore, with every indication that the ore length will be as great or greater than that on the upper horizons. Some parallel ore has been opened up in addition to the ore in the main vein on the lower levels. The deepest level at 2,200 ft. depth shows just as much ore as the levels at the upper horizons.

By next month a new internal underground shaft will probably be started to open up a series of four new levels at still greater depth. Sinking of a new shaft, rather than continuation of the old one, will eliminate the need for long crosscuts to reach the ore zone.

Earnings in 1940 are not expected to show much change from the previous year, when 31 cents a share was earned. Production was approximately the same and higher taxation has been offset by somewhat lower mining costs.

Capitalization

	Author.	Outstand.	Par
Common	2,000,000 sh.	1,841,000 sh.	n.p.v.

Price Range

	High	Low
1940	$3.40	$1.71
1939	3.60	2.30

Hard Rock

Production and earnings of Hard Rock Gold Mines will likely advance this year if a mooted increase in mill capacity from 300 to 400 tons daily materializes this coming spring as planned. The new equipment being considered will permit treatment of coarse ore from parts of the mine other than the north or No. 30 zone.

Even if the new equipment is not installed, production will still likely be higher. Output is currently running at a better rate than the first part of 1940.

Development is now opening up the No. 30 vein at the 625-foot horizon. This may result in a substantial addition to ore reserves in the current year. Early in 1940 the company already had close to six years' ore available. Underground work is being extended and the No. 1 shaft is being reopened to undertake mining there.

Earnings of the company in the year ended Feb. 29, 1940, amounted to 7.8 cents a share. Production in the fiscal year ended Feb. 28, 1941, is expected to show a 30% increase and earnings will likely also be higher.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,990,074 sh.	$1

Price Range

	High	Low
1940	$1.48	$0.55
1939	1.95	0.70

Magnet Consolidated

Important developments have taken place at the property of Magnet Consolidated Mines over the past year. Exploration at the 1,080 ft. or bottom level has disclosed approximately 1,000 ft. of high-grade ore in the main footwall vein. This is by far the best result obtained on any horizon of the mine. Development of the hanging wall vein at the 1,080-ft. level has yet to be undertaken. While ore continues to be revealed on present levels, the shaft is being carried down for the opening up of two additional levels at 150-ft. intervals.

Production and profits this year are expected to be by far the best in the company's history. Following installation of cyanide equipment, the mill is now treating over 170 tons of ore daily compared with around 100 tons daily a year ago. A small tonnage of Jellicoe ore was being included in mill feed at last report.

No official statement on earnings for last year is available, but the level of production suggests that they were well over the 10 cents a share paid out in dividends during the year. This year, of course, profits are expected to be much greater than in 1940.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	3,000,000 sh.	$1

Tombill Gold Mines

Public investment interest came into Tombill Gold Mines last year when the company exercised its option on the property of Elmos Gold Mines, involving an exchange of shares. The company operates a mill of 150 tons capacity on its property adjoining Bankfield where there was around 43,000 tons of ore available early in 1940. The Elmos property is estimated to have 16,000 to 18,000 tons of ore available. Results at Tombill's main property have been somewhat disappointing, it is understood, and further exploration of the Elmos property will probably be undertaken in a search for new ore bodies.

Capitalization

	Author.	Outstand.	Par
Common	2,000,000 sh.	1,520,007 sh.	$1

Bankfield Consolidated

Although a great deal of exploration has been carried out by Bankfield Consolidated Mines in the last few years, no ore deposit comparable to the original main ore body mined from surface down to the 525-ft. level has yet been opened up. With no new major ore opened up, reserves have been gradually dwindling and at the present time there are only a few months ore in reserve ahead of the mill. For a time the company was financing Anoki Gold Mines in the East Kirkland Lake area, but results are understood to have been disappointing and no work is being carried on there at the present time.

Exploration is still being carried on aggressively at the Bankfield mine and the company appears to have at least one good ore chance left. Drifting is proceeding in the north or Magnet break with apparently a good chance that a repetition of the high-grade Magnet ore body will be encountered, or possibly an extension of the Magnet deposit itself if work is carried to greater depth.

The annual report for the year ended Nov. 30, 1940, has not yet been issued, so no details are available on the current financial position. However, a year previously there was approximately 12 cents a share in working capital in the treasury. Operating profits since have been substantial, but expenditures on the Anoki property were substantial.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,564,904 sh.	$1

Price Range

	High	Low
1940	$0.28	$0.05
1939	0.38	0.15

Northern Empire

Pioneer producer in the Beardmore sector, Northern Empire Mines Co. is not only a producer in its own right, but owns 1,732,995 shares of Magnet Consolidated Mines, which it financed to production. Revenue from the Magnet holding in 1940 amounted to over $170,000.

Development results at the Northern Empire mine in 1940 were somewhat disappointing. Extensive exploration carried out on levels at 1,900 and 2,075 ft. gave only one short ore shoot at the 2,075-ft. level. However, opening up of a new level at 2,425 ft. has been started and conditions may show a change for the better there.

With development of new levels revealing practically no ore, reserves of ore are understood to be gradually declining. There is probably still at least one year's ore in reserve.

Production in 1940 was down considerably, but with dividends from Magnet earnings were probably greater than the 54 cents a share of 1939.

The company is controlled by the Empire Star Mines Co. of California, which is in turn controlled by Newmont Mining Corp., New York.

Capitalization

	Author.	Outstand.	Par
Common ..	500,000 sh.	400,000 sh.	$1

Price Range

	High	Low
1940	$9.85	$6.50
1939	9.50	7.75

Leitch Gold Mines

While production of Leitch Gold Mines in 1940 was at a higher rate than in the previous year, earnings were lower at 8.2 cents a share as against 10 cents for 1939. This was due to the excess profits tax and outside exploration written off against current profits. However, it is believed a fair amount was added to the $439,549 reported for working capital at the end of 1939.

Shaft sinking to establish five

(Continued on page 31.)

Little Long Lac-Beardmore Camp

Total production to end of 1940 .... $34,582,151*
Production in 1940 .... 10,242,089*
Production in 1939 8,747,924

	Output 1940 $	Output 1939 $	Since starting production Output $	Since starting production Dividends $
MacLeod-Cockshutt ..	2,108,825	1,649,469	4,658,876	568,398
Little Long Lac	1,758,980	1,698,767	9,327,689	2,936,000
Hard Rock	1,197,871	803,607	2,649,617	418,610
Magnet	1,105,078	457,247	1,562,325	300,000
Leitch	874,004	784,784	2,816,669	513,001
Northern Empire	672,427	928,616	4,954,733	1,132,000
Tombill	645,882	613,789	1,647,225	102,000
Sturgeon River	513,307	441,309	1,794,440	56,995
Bankfield	450,044	593,636	2,029,677	None
St. Anthony	*422,500	293,502	1,679,039	None
Sand River	398,759	437,450	1,321,701	None
Jellicoe	†94,412	45,748	140,160	None

* Estimated. † Incomplete.

MISSINAIBI CLAYS

Preparations are stated to be progressing for putting the property of Missinaibi Clays into production shortly, according to F. S. Base, managing director.

A crew under R. O. Campbell has moved all necessary equipment into the property so that shipments of refractory clays can start. Grinding equipment and storage bins are to be erected at the railway point of Smoky Falls, 7½ miles from the property.

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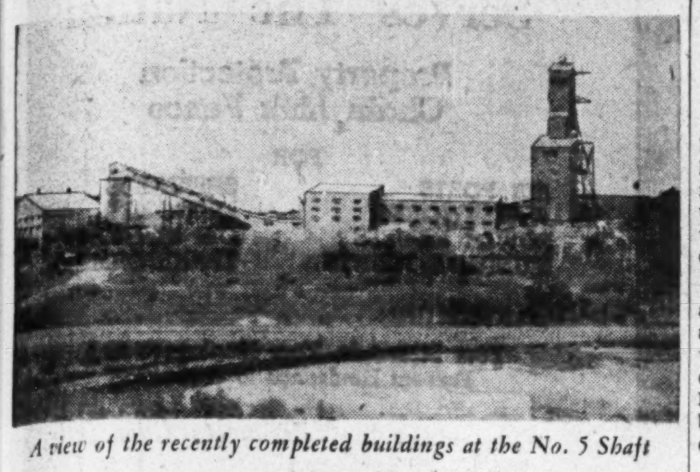

A view of the recently completed buildings at the No. 5 Shaft

The milling capacity has been increased during the year 1940 by the installation of a new crusher and grinding plant at the No. 5 Shaft and by installation of concentration tables and changes in both mills. It is estimated that the company can mill an average of approximately 1200 tons per day during the year 1941.

The major development program undertaken several years ago is about completed. The company now plans a development for its northerly claims which work has been started by the commencement of a crosscut to connect the company's northerly and southerly claims underground at the 2350 foot level.

Since Incorporation in 1932 production has been as follows:

Year	Production	Tons Milled Per Day
1932	$ 246,620	300
1933	462,680	321
1934	712,898	360
1935	1,056,653	437
1936	1,888,828	742
1937	2,832,513	940
1938	2,971,464	994
1939	2,625,952	986
1940	2,508,556	1,034
	$15,306,164	

During the same period it has paid out the following:

Wages	$6,833,606
Supplies and Equipment	5,544,337
Taxes	521,066
Dividends	2,340,000

Capital Authorized 1,000,000 Shares
($1.00 Par Value)
Issued 701,679 Shares

Executive Office: 2100 Rand Building, Buffalo, N.Y.
Head Office: South Porcupine, Ontario

More Malartic Growth

Gold Fields Increases Capacity While National Unfolds New Ore

Malartic's famed "greenstone band" was once more in the limelight last year. Already noted for its rich ore bodies on the contact zones, the band revealed that the area within the band itself had also real ore-making potentialities.

To East Malartic and Sladen Malartic working on the south contact and the Malartic Gold Fields mine working on the north greenstone contact has been added National Malartic Gold Mines, developing ore bodies within the band itself north of the Sladen ground.

The extensive nature of the National Malartic ore suggests that there must be a tremendous amount of "hot ground" remaining to be tested in the Malartic area inside this wide greenstone band—perhaps some of the best prospecting ground in Canada. East Malartic has some of it, so have Rand-Malartic and Malartic Gold Fields. Sladen Malartic has done some drilling within the band—has secured some ore intersections—but is at present concentrating its attention on new showings at its mine proper.

Further to the northwest, Amphi Gold Properties drew one good drill hole, but Howey and its associates, which have been drilling this ground under option, so far have apparently been unable to outline an ore body. Earlier this month, Partanen Malartic Gold Mines completed financing for further work and shaft sinking may be recommenced shortly. West Malartic Mines in this sector is reported to be approaching the stage where consideration can be given to mill erection.

From present indications it appears that 1941 will see further intensification of exploration in the Malartic area. National Malartic will likely extend its exploration farther to the north and some of the older companies may also investigate some of the intriguing possibilities in the greenstone band.

Cadillac-Malartic Area

Total production to end of 1940	$30,537,793*
Production in 1940	11,286,869*
Production in 1939	8,140,619

	Output 1940	Output 1939	Since starting production Output	Since starting production Dividends
	$	$	$	$
East Malartic	3,424,080	2,516,821	6,135,931	1,200,000
Perron	1,898,736	1,470,926	6,213,997	900,000
Malartic Gold Fields	1,307,926	42,851	1,350,777	None
Canadian Malartic	1,151,764	1,089,532	5,411,911	1,130,695
O'Brien Gold	1,071,259	1,283,777	6,082,547	975,000
Sladen Malartic	864,461	663,085	2,142,569	None
Cournour	621,643	504,884	1,630,227	None
Central Cadillac	*371,000	15,000	386,000	None
Lapa Cadillac	*330,000	366,665	750,665	None
‡Pandora Cadillac	153,000	...	153,000	None
Amm	*93,000	187,079	280,079	None

*Estimated figure. ‡Took over Amm property in July, 1940.

East Malartic

During the latter part of 1940, a considerable drop in grade of ore treated occurred at East Malartic Mines due to three factors: excessive dilution in mining; an increase in the amount of ore taken from lower grade east end stopes; and a temporary tie-up of ore in the highest grade stope where sharp fracturing of ore took place.

With the highest grade central stope continuing unavailable, it is expected ore grades will continue low until about next June. After this, 12 new stopes will be in production on the new lower levels which is expected to improve the average grade of ore hoisted. Mining on the new levels from 840 to 1,720 ft. depth is expected to be carried out by a different method. This will result in higher costs—perhaps $1 a ton higher—but it is anticipated that cleaner mining will offset this with a higher average grade of ore to the mill.

Earnings of East Malartic in 1940 are believed to have been around 40 cents a share compared with 29 cents in 1939. The mine has apparently sufficient reserve for a great many years.

	Author.	Outstand.	Par
Capitalization: Common	4,000,000 sh.	4,000,000 sh.	$1

Price Range	High	Low
1940	$4.10	$1.95
1939	4.00	2.01

Malartic Gold Fields

With new filters being brought into operation, Malartic Gold Fields expects to mill 600 tons of ore daily, compared with an average of 400 tons daily in the earlier part of last year.

Exploration underground has been opening up much more ore than was indicated by diamond drilling previous to the original sinking of a shaft to the 575-ft. horizon. In contrast to East Malartic, Malartic Gold Fields has numerous ore bodies and exploratory diamond drilling always seems to be turning up some now ore showing.

At the end of 1940, production was running approximately $110,000 monthly. Unless the company turns to a treatment of a lower average grade of ore, it appears this output may be increased by approximately 40 to 50% with the mill capacity brought up from 400 to 600 tons daily.

Although the company does not publish interim earnings statements, it appears obvious that a substantial profit is being realized. No official statement on ore reserves has been released recently but the stepping up of the mill suggests that the management sees plenty of ore ahead.

	Author.	Outstand.	Par
Capitalization: Common	4,000,000 sh.	4,000,000 sh.	$1

Price Range	High	Low
1940	$1.45	$0.54
1939	1.12	0.35

Canadian Malartic

Oldest producer in the area, Canadian Malartic Gold Mines still appears to be growing. Mill capacity stepped up a further 10% last May. Decision to increase mill capacity at that time resulted from expansion of the company's ore resources with a new ore occurrence on the 875-ft. level southeast of the shaft estimated to contain 500,000 tons or more.

This ore was in addition to the four years ore supply reported at the end of the previous year. Although production in 1940 was affected favorably by the increase in milling capacity, operating profits, due to increased taxes, showed no great change from the previous year. From indications, earnings in 1940 after all charges may not have been far from the 4.4 cents a share reported the previous year. Dividends totalling 8 cents a share were distributed in 1940 as compared with 9 cents in 1939.

Canadian Malartic is one of the Lindsley group companies,

	Author.	Outstand.	Par
Capitalization: Common	4,000,000 sh.	3,651,355 sh.	n.p.v.

Price Range	High	Low
1940	$0.85	$0.32
1939	1.03	0.50

Sladen-Malartic

Two new ore bodies served to improve the picture at Sladen-Malartic Mines during 1940. Higher-than average grade ore body was found during the summer in the connecting drive between the Nos. 1 and 2 shafts at the 725-ft. horizon which is expected to yield an average of $8 per ton—or just about double the average grade of ore treated last year.

In addition to this ore body, the company has opened up over 200 ft. of ore on the extension of the National Malartic porphyry zone at the 725-ft. level with grade running about $8 in the drift with the full ore width not exposed. Somewhat greater ore lengths is expected with the completion of detail work. This ore body is expected to be more and more on Sladen ground as depth is reached.

The company has its operating costs down below $3 a ton and if any tonnage of $8 ore can be put through the 650-ton capacity mill, profits could be substantial. Over the last year or so, the company had been driving to secure low costs to offset low-grade ore encountered in large tonnages. Now there appears to be some higher than average grade ore available to use as a sweetener.

	Author.	Outstand.	Par
Capitalization: Common	3,500,000 sh.	3,499,021 sh.	$1

Price Range	High	Low
1940	$0.61	$0.20
1939	0.80	0.23

National Malartic

With underground work carried out from the 350-ft. level of the adjoining Sladen-Malartic mine disclosing large tonnage ore possibilities on the company's property, National Malartic Gold Mines plans to sink a shaft of its own to speed development work and to allow exploration work to be carried farther north where the best grade of ore was indicated in diamond drilling carried out from surface.

The company now wants to open up its ore on further horizons than the 350-ft. level. The management is firmly convinced that the ore is there but it is necessary to open it up on further horizons before borrowing for further mine preparation and mill construction is feasible.

At the present time a mill of considerable capacity—that would give low costs—is being envisaged. If financing proves difficult, however, the company might consider starting in at a smaller capacity, treating perhaps a higher grade of ore from opening up the north zones.

	Author.	Outstand.	Par
Capitalization: Common	3,500,000 sh.	2,810,000 sh.	$1

Red Lake Shows Riches Widespread

(Continued from page 21)

year, earnings may not be far from the 52 cents a share earned for 1939. Higher taxes for 1940 probably reduced earnings somewhat.

	Author.	Outstand.	Par
Capitalization: Common	3,000,000 sh.	3,000,000 sh.	$1

Price Range	High	Low
1940	$4.25	$2.12
1939	5.60	3.55

Central Patricia

No great change took place at the property of Central Patricia Gold Mines during 1940. Following shaft sinking from 1,600 to 2,226 ft. in 1939, development of five new levels was undertaken. First results at the 2,050-ft. level is understood to have been encouraging. A substantial reserve of ore is ahead of milling operations; at the end of 1939 there was over 3½ years ore supply available.

Production in 1940 showed some increase. However, the increase in the value of output was offset by increased taxes as far as earnings were concerned.

	Author.	Outstand.	Par
Capitalization: Common	2,500,000 sh.	2,500,000 sh.	$1

Price Range	High	Low
1940	$2.55	$1.45
1939	2.75	1.91

Uchi Gold Mines

Since production was commenced by Uchi Mines on May 10, 1939, the company has had a considerable number of difficulties to iron out. Extraction in the mill proved one difficulty but this has been taken care of now. When it appeared possible that mining and pressure of development might put a strain on the Uchi mine, the Hanalda and Jalda workings were acquired, giving further sources of mill feed. The Grasett property was acquired and production from it will be started soon. A shaft was put down to a depth of 250 ft. on this property in previous operations.

Making Uchi a success has been a problem of establishing a sizeable margin of profit that will allow retirement of the company's million dollar bond issue which becomes due at the end of the current year. Mill capacity has been stepped up from 500 tons daily to an average of around 750 tons daily with this in view.

	Author.	Outstand.	Par
Capitalization: Common	5,000,000 sh.	3,923,344 sh.	$1

Price Range	High	Low
1940	$1.12	$0.25
1939	1.05	0.65

WESTDEL PORCUPINE DRILLING

Tenders for 10,000 ft. of diamond drilling have been received by Westdel Porcupine Mines and drilling is expected to get under way in the near future.

RAND PRODUCTION

January production of the South African Rand is reported at 1,211,271 fine ounces against 1,176,522 ounces for Dec., 1940. Output in Jan., 1940, was 1,135,482 oz.

BERENS OUTPUT

Production of Berens River Mines for January totalled $108,464, plus values in concentrates, from milling 6,615 tons of ore. In December, recovery was $117,302 from 6,885 tons of ore, an average of $17.03 a ton.

DUQUESNE OPTION

Payment has been received by Duquesne Mining for 50,000 shares, part of the Mar. 20 installment on an option on 100,000 shares under agreement of Oct. 21.

HARAS CORPORATION LIMITED

Haras is a corporation to provide initial financing for meritorious mining and industrial enterprises.

It has participated in the financing of the following companies:

BROULAN PORCUPINE MINES LIMITED

CHESTERVILLE LARDER LAKE GOLD MINING CO. LTD.

SENATOR-ROUYN LIMITED

SUTTON-HORSLEY COMPANY, LTD. (makers of airplane instruments)

Enquiries Are Invited

Head Office: 15 KING ST. W. • TORONTO

Sylvanite Gold Mines, Limited

(NO PERSONAL LIABILITY)

Incorporated Under the Laws of the Province of Ontario — Authorized Capital $3,300,000.00

OFFICERS AND DIRECTORS

Edward L. Koons	*President*	William S. Walton	*Secretary*
William L. Marcy	*Vice-President*	Harry Yates	*Director*
Clark L. Ingham	*Treasurer*	Alfred H. Sharpe	*Director*
Welles V. Moot	*Managing Director*	Kenneth C. Gray	*Manager*

HEAD OFFICE: KIRKLAND LAKE, ONTARIO

BUFFALO OFFICE: 300 ERIE COUNTY BANK BLDG., BUFFALO, N.Y.

CENTRAL PATRICIA GOLD MINES LIMITED

(No Personal Liability)

CAPITALIZATION

Authorized - - - 2,500,000 shares - - - $1.00 par value
Issued - - 2,500,000 shares

OFFICERS and DIRECTORS

F. M. CONNELL	President
W. H. CONNELL	Vice-President
LOUIS COHEN	Director
A. B. MORTIMER	Director
G. B. WEBSTER	Director
ALAN COCKERAM	Secretary-Treas.
C. R. ELLIOT, C.A.	Assistant Sec.-Treas.
R. E. BARRETT	Mine Manager

Transfer Agents and Registrars
CHARTERED TRUST & EXECUTOR COMPANY, TORONTO

Bankers
ROYAL BANK OF CANADA, Toronto
IMPERIAL BANK OF CANADA, Central Patricia

Administrative and Executive Office—85 RICHMOND ST. W., Toronto, Ontario
Head Office and Mine—CENTRAL PATRICIA, Ontario

THE "Good Earth..."

Copies of this list are available upon request.

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From Raw Ore to Finished Steel an infinite variety of operations is necessary in the manufacture of STELCO products which outnumber those of any other Canadian steelmaker, providing jobs for over 8,000 Canadian workers. Today, when Canada is called upon to supply war materials in heavy and increasing volume, experienced "STELCO" steelworkers in eleven "STELCO" Finishing Plants are at the Empire's service.

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SALES OFFICES: HALIFAX, ST. JOHN, QUEBEC, MONTREAL, OTTAWA, TORONTO, HAMILTON, LONDON, WINDSOR, WINNIPEG, VANCOUVER

WORKS: HAMILTON, MONTREAL, TORONTO, BRANTFORD, LONDON, GANANOQUE

Cadillac Keeps Its Five Mills Busy

But Few People Opening Any New Mine Properties

There were no new mine developments of major importance in the Cadillac area last year. Mic Mac Mines continued its development in Bousquet; some surface exploration and diamond drilling took place to the southeast where extension of Malartic conditions lends interest, but on the whole the year was a quiet one as far as new mine-making was concerned.

Cadillac now appears past the stage of surprising new developments that could change the complexion of things overnight. It remains for routine exploration to test possibilities outside of the main break and along the main break where there must still remain many good chances of further ore discoveries. The present operating properties will apparently have to do the investigation as funds to carry out "grass roots" exploration is difficult to secure from investors just now.

O'Brien Gold Mines

Decline in per share earnings of O'Brien Gold Mines to 10.1 cents a share in the year ended Sept. 30, 1940, as against 15.6 cents in 1939 was a direct result of a change in the company's mining policy.

During 1940 it was decided to treat a lower average grade of ore which more closely approximated that in reserve. While this reduced immediate profit realized, it is expected to have the ultimate effect of lengthening the life of O'Brien.

Tonnage of ore in reserve as at October 1, 1940, was the greatest in the company's history—enough to keep the mill in operation for approximately 2½ years.

Cline Lake Gold Mines in which O'Brien has 71.18% interest realized an operating profit of $154,995 in the first nine months of 1940. Net profit in 1939 totalled $221,170 of which O'Brien's share would be around $150,000.

After dropping its exploration programme for a year or so, O'Brien has once more entered the exploration field. Recently, the company arranged a programme of diamond drilling on the property of Westwood Cadillac Gold Mines with a new company to be formed if results warrant.

Capitalization

	Author.	Outstand.	Par
Common	4,000,000 sh.	3,250,000 sh.	$1

Price Range

	High	Low
1940	$1.81	$0.50
1939	3.35	1.20

Wood Cadillac

When Wood Cadillac Mines completed its 225-ton mill on Dec. 10, 1939, approximately $275,000 was owing to Mill Builders, who had financed mill erection and provided working capital. By June 30, 1940. proceeds of production were sufficient to allow payment of about $80,000 to Mill Builders including $7,500 of interest.

Production for the period Dec. 10, 1939, to June 30, 1940, totalled $287,466 from milling 38,756 tons. After deducting all charges including write-offs, net profit was $19,259. In the four months ended Oct. 31, 1940, recovery amounted to $152,599.

As at Oct. 10, 1940, ore reserves were estimated at 81,910 tons averaging 0.19 oz. gold per ton or approximately one year's supply at the current milling rate. Drifting has been carried to the east of the 500-ft. level in the direction of the Pandora property. Considerable flat diamond drilling has also been done from the mine workings in exploring north and south of the iron formation.

Capitalization

	Author.	Outstand.	Par
Common	4,000,000 sh.	4,000,000 sh.	$1

Price Range

	High	Low
1940	$0.30	$0.08
1939	0.21	0.09

Central Cadillac

From commencement of milling at the leased Thompson Cadillac mill in November of 1939 to Dec. 31, 1940, Central Cadillac Mines recovered a total of $331,907 from 56,334 tons of ore.

Proceeds from production have been used together with finances from sale of shares to further the company's development programme. Following the discovery of additional flat-lying tourmaline ore bodies above and below the 325-ft. level and on the 450-ft. level, raising of a winze from the 200-ft. level to the surface was completed with sinking planned to open another level. It was hoped thus to reduce operating charges. Owing to the erratic nature of tourmaline ore bodies, it is difficult to estimate reserves.

Capitalization

	Author.	Outstand.	Par
Common	4,000,000 sh.	2,996,010 sh.	$1

Pandora Cadillac

After remaining quiet for several years, Pandora Cadillac Gold Mines became active again in 1940, took over the mill and most of the property of Amm Gold Mines, and commenced production on its own account shortly after the middle of the year.

Pandora paid over 500,000 Pandora shares for the Amm assets and agreed to pay additionally 25% of net profits after Jan. 15, 1941, until a sum of $27,750 plus interest at 6% had been paid. Besides, $112,000 of mill indebtedness was also assumed.

Ore dumps provided a considerable proportion of mill feed when the mill was first taken over. However, ore has been taken from the west Pandora workings, from the Amm shaft with preparations made for mining ore from the Pandora east shaft where 45,000 tons of $11 grade ore was outlined in work carried out a number of years ago. Tonnage of ore indicated in the Pandora west shaft area has not been estimated.

Capitalization

	Author.	Outstand.	Par
Common	4,000,000 sh.	3,470,007 sh.	$1

Price Range

	High	Low
1940	$0.10¾	$0.02¼
1939	0.16	0.02¾

Lapa Cadillac

Current interest in Lapa Cadillac Gold Mines centres around exploration being undertaken in a new north ore zone outlined in surface diamond drilling. Following completion of a crosscut at the second level, drifting has been started east and west with first results reported encouraging.

A length of 90 feet indicated by underground work and drilling may average around $6 across about 4 ft., it is believed. Some interesting drilling intersections are ahead of drifting in both directions.

Mill capacity is 300 tons daily and the company has been able to establish a good record of low costs.

Capitalization

	Author.	Outstand.	Par
Common	4,000,000 sh.	3,921,875 sh.	$1

Price Range

	High	Low
1940	$0.22½	$0.05
1939	0.54	0.10

Mic-Mac Mines

Exploration at depth is getting well under way at the property of Mic-Mac Mines situated in Bousquet twp., just east of the producing Cadillac belt. Following a big programme of shaft sinking, work is being done on new levels at 740 and 1,050 ft.

Original underground exploration was carried on at 285 and 455-ft. levels where a considerable tonnage of marginal grade ore was indicated. The management hopes to reveal sufficient ore to warrant a mill large enough to give low operating costs. Results on the two levels now under development are expected to play an important part in shaping future plans.

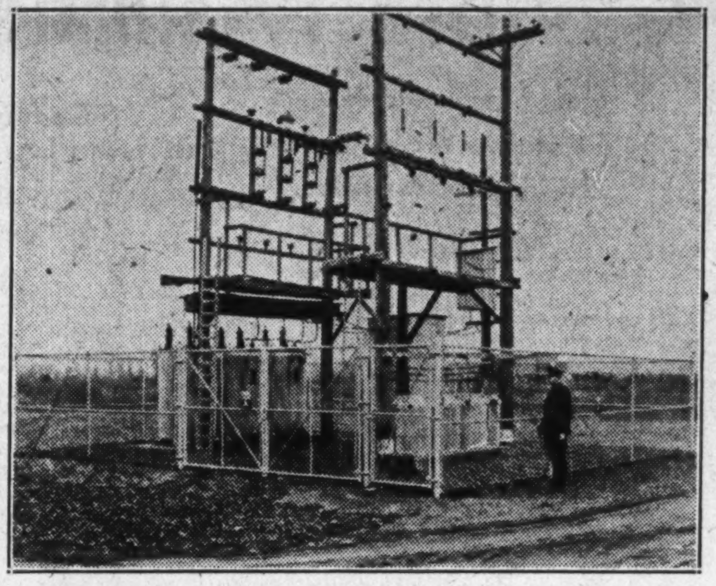
Finances for work are being supplied by the United States Mining and Smelting Co. which holds control.

Capitalization

	Author.	Outstand.	Par
Preferred	10,000 sh.	1,500 sh.	$100
Common	3,000,000 sh.	3,000,000 sh.	$1

LETS DRILLING CONTRACT

A contract for 5,000 ft. of diamon drilling is stated to have been let by Jasper Porcupine Mines. The company's property adjoins to the west of Delnite and adjacent to Westdel



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CANADIAN STEEL CORPORATION
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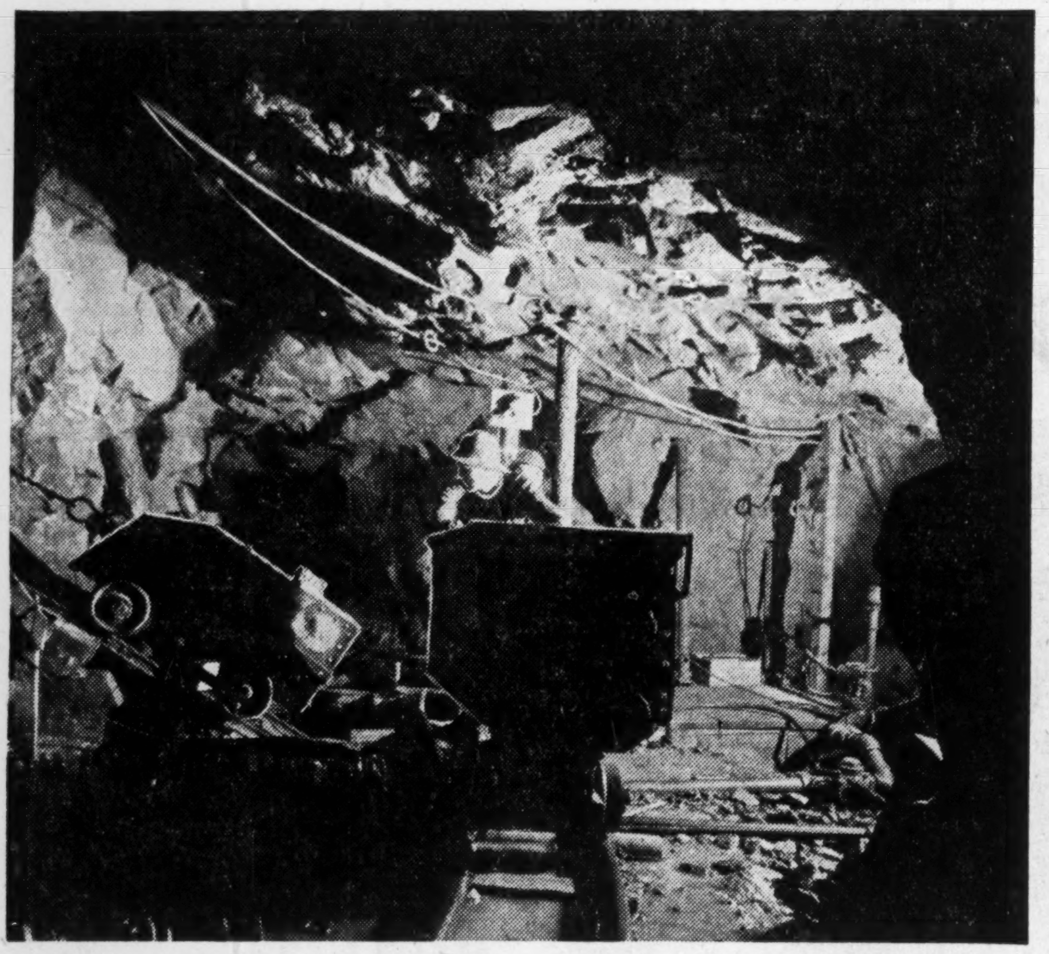

Men still push cars around by hand in subsidiary drifts in northern mines, but small electric locomotives are used for hauling the ore cars in the bigger haulage drifts. Mechanized equipment is being used more and more.

MINING'S SHARE IN CANADA'S WAR EFFORT

In ever increasing volume Canada's great Mining Industry is pouring out its wealth, now at the rate of over $1,400,000 per day. This vast production is enabling Canada to make an outstanding contribution of wealth and materials that will prove of inestimable value in helping to win the war.

The Bank of Toronto, with its background of 86 years of experience in Canadian banking, is serving this great industry through its branches in the Mining districts, and is privileged to count many mining companies, including some of our largest producers, and thousands of workers, among its customers and friends.

We will be glad to serve you.

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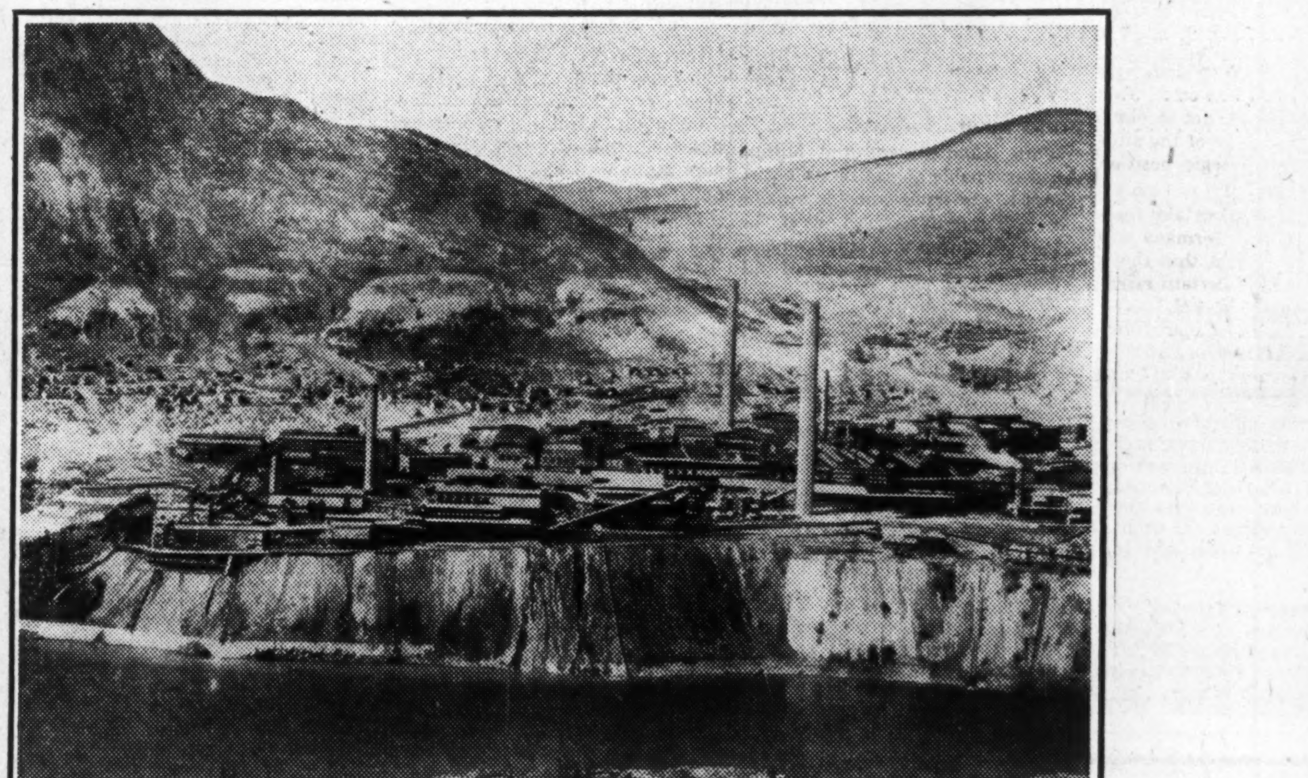
Incorporated 1855

F. H. Marsh — General Manager

We Will Win This War, if . . .



GENERAL VIEW OF TRAIL PLANTS LOOKING WEST

. . . and only if we as loyal citizens of Canada realize now the seriousness of the threat that the Axis Powers are making to our individual independence and in consequence give to our country's cause all the assistance that lies within our power. Then, and only then can we say with complete confidence "We Will Win This War".

The Consolidated Mining and Smelting Company of Canada Limited is proud of the part it has been called on to play in furthering Canada's War Effort; proud and pleased by the manner in which its employees have co-operated in speeding construction, increasing production and maintaining high productive rates, showing that they realize to the full the seriousness of the situation and the Empire's vital need for the maximum effort of every individual.

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BRAND
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THE
CONSOLIDATED MINING & SMELTING
COMPANY OF CANADA, LIMITED

HEAD OFFICE: MONTREAL, P.Q. — GENERAL OFFICE: TRAIL, B.C.

Nickel Need Heightens Sudbury Activity

Opening Up of Gold Mines Diversifies Area Interests

Record activity is reported in the Sudbury mining area. Nickel is one of the great strategic war metals and democracy needs it for strengthening of iron, steel and other metals.

Even though practically the entire continental European market for nickel has been cut off and exports outside the British Empire are only being made with the permission of the United Kingdom and Canadian Governments, the use of nickel has grown amazingly in the last year. Collapse of France did not prevent the use of nickel reaching a new high.

This has resulted in an increase to capacity operations by Falconbridge Nickel Mines, even though the refining capacity is not available in Canada to take care of this increase. However, the nickel matte can be used and it will make an important contribution in taking care of the greater demand.

While everyone thinks of Sudbury as a nickel-producing area, it is almost as important for its copper output. More copper comes from International Nickel and Falconbridge mines than from any other copper-producing area in Canada. An increase in the production of nickel means greater production of copper, although it is possible to vary ore grades within certain limits.

Besides its base metal output, the Sudbury area may also become important for its production of gold. This year a new mill will turn over at Jerome Gold Mines. Investigation of the Missanabie deposit is being carried underground and two small gold rushes took place in the general Sudbury district last year. Famed for its base metal production, the area seems to offer bright prospects for larger gold production. Already the base metal mines have a large production of another precious metal—platinum.

International Nickel

If it were possible to make an exhaustive analysis, International Nickel Co. of Canada would probably be found contributing more to the Empire's war effort than any other company in the world. This contribution is perhaps not so obvious at first, but a study of the situation reveals the strategic position the company holds.

One of the most important reasons for believing that Germany will lose this war is the fact that she is likely to run short of certain essential materials such as nickel.

Since the outbreak of war, International Nickel has been expanding its plant for recovery and refining of nickel and copper at Copper Cliff and Port Colborne, Ontario. In spite of the huge step-up in the demand for metals arising out of the war, the company has been able to meet every demand for nickel so far. More nickel was sold and consumed in 1940 than in any other year. With the United States embarking on the greatest arms manufacturing programme in its history, even larger consumption of nickel appears in prospect for the current year.

While production of International Nickel has been rising, there has been no comparable increase in profits. From this viewpoint, the company might be said to be really operating as a war effort. Earnings during the war have been little or no higher than during peacetime. Operating profits have risen with increased sales, but the entire increase in profits has been taken away by taxation, now more than doubled. Earnings for the first nine months of 1940 were equal to $1.71 a share compared with $1.72 a share in the corresponding period of the previous year.

Capitalization

	Author.	Outstand.	Par
7% cum. pref.	$27,679,900	$27,627,825	$5 & $100
Common	15,000,000 sh.	14,584,025 sh.	n.p.v.

Price Range

	High	Low
1940	$47.00	$27.50
1939	60.12½	42.87½

Falconbridge Nickel

Loss of its refinery in Norway proved a serious blow to Falconbridge Nickel Mines. Although International Nickel Co. is generously allowing the company use of its refinery, this has not proved sufficient to prevent the company losing most of its earning power, at least temporarily.

With the refining end of Falconbridge limited to the excess capacity of International Nickel the company was forced to reduce the scale of mining operations by approximately one third. Hopes for improvement in the company's operating position have been partially realized and it is expected that further improvement will be shown now that the company is on full matte production.

So far the company has not made any plans for erection of its own refinery in Canada.

Capitalization

	Author.	Outstand.	Par
Common	5,000,000 sh.	3,337,507 sh.	n.p.v.

Price Range

	High	Low
1940	$5.00	$1.75
1939	6.75	3.90

Jerome Gold Mines

Following a continuation of favorable development results at Jerome Gold Mines in 1940, directors reached a decision to place a mill of 500 tons capacity on the property. This mill will be erected during the coming spring with arrangements already made for a supply of power from the Hydro-Electric Power Commission of Ontario. Actual production is expected to start in September.

Ore reserves now total over 600,000 tons with a grade of approximately $7.25 a ton before dilution but after cutting high assays. This ore is all above the 500-ft. level.

Financing of Jerome has been carried out by Mining Corporation of Canada (which originally located the property), Hollinger Consolidated Gold Mines, and by Ashley Gold Mining Corp., a Mining Corporation subsidiary.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,284,670 sh.	$1

New Golden Rose

While New Golden Rose Mines has been producing steadily since July, 1937, the company so far has been unable to establish any great margin of profit. In fact, the company has probably been of greater value to the Government in providing foreign exchange than it has been to shareholders in the way of profits.

Operating profits have been realized on a small scale, but after allowing for interest charges, depreciation and write-offs for pre-production expenses, a large deficit has been experienced each year.

Exploration has been successful in replacing most of the ore mined each year, but there has been no ore news yet of a spectacular nature.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	3,000,000 sh.	$1

Price Range

	High	Low
1940	$0.09½	$0.05
1939	0.25	0.08

Renabie Mines

There were two gold rushes in the Sudbury area during 1940. The more important was the Macassa discovery in the Missanabie sector some 12 miles northeast of Missanabie Station on the C. P. R. west of Sudbury. This discovery has now been taken over by Renabie Mines. Diamond drilling has been carried out and shaft sinking has been decided on.

Capitalization

	Author.	Outstand.	Par
Common	1,500,000 sh.	*	$1

*Not available.

LAGUNA SITUATION

Shareholders of Laguna Gold Mines can expect a final liquidating dividend of 1½ cents a share, it is reported. Efforts are now being made to dispose of the mill for which there are no enquiries at the moment.

BONDHOLDERS TO MEET

A special meeting of bondholders of Canada Iron Mines has been called for April 10 in Toronto. A committee is to be appointed to determine the steps to be taken to protect bondholders' interests and for realizing on security.

MacLeod Sparks Little Long Lac Area

(Continued from page 28.)

new levels below 1,025 ft. depth was completed late last year and cross-cutting to the ore zone is now proceeding at three of the new levels which are established at 125-ft. intervals. The company has apparently still a good supply of ore ahead of the mill, for there was four years' ore in reserve at the end of 1939. Development probably maintained the reserve position last year.

Diamond drilling has indicated a diabase sill at 1,850 ft. depth, but it is hoped to pick up the ore zone again about 500 feet below, as was the case at the neighboring property of Northern Empire Mines Co.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,850,005 sh.	$1

Price Range

	High	Low
1940	$0.88	$0.41
1939	0.90	0.58

Sand River

While Sand River Gold Mining Co. was unable to retire its entire $180,000 note issue when it became due last August, a portion of the issue was retired and arrangements were made for retirement of the balance at later dates.

Minewise, 1940 was an important year for Sand River. Drifting on the 1,150-ft. level opened up over 1,400 ft. of ore averaging 0.65 oz. across 13.5 inches.

This included a block of entirely new ore contained in three shoots to the east of the shaft. Nothing even close to this footage of ore had been exposed in drifting on any of the levels above.

The company also staked a new gold property at Armit Lake, west of Savant Lake, following discovery of two parallel quartz veins there lying 25 ft. apart.

Production in 1940 was slightly lower than in 1939, when the company had a net loss of $13,015. Operating profits continue to be realized, however.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,520,005 sh.	$1

Price Range

	High	Low
1940	$0.15	$0.05
1939	0.17	0.05

St. Anthony

Although average recovery dropped from $12.34 in 1939 to $7.78 in 1940, St. Anthony Gold Mines increased its production from $293,502 in 1939 to over $422,000 in 1940 by milling of a larger tonnage of ore. The mill is now treating around 180 tons daily, with ore grading about $7 a ton. Operating costs have been reduced to below $5 a ton, although Diesel power must be used for part of the year.

Ore reserves are reported to have been maintained at about one year's supply, even though development on the new 875-ft. level has been disappointing to date. A crosscut has been put out at the 875-ft. level to explore a new break disclosed over a length of 300 ft. by diamond drilling with high-grade ore values. The same vein was picked up in drilling on the 350-ft. level—it may possibly prove an important source of ore.

The financial position of the company has greatly improved, the president states. All loans have been liquidated and current assets are sufficient to meet all outstanding liabilities.

Capitalization

	Author.	Outstand.	Par
Common	5,000,000 sh.	4,168,510 sh.	$1

Price Range

	High	Low
1940	$0.21	$0.07¾
1939	0.16½	0.06½

McLellan Gold Mines

Situated east of Magnet Consolidated Mines and south of Little Long Lac Gold Mines, McLellan Gold Mines was organized early this year as the latest Little Long Lac mine-making endeavor.

Diamond drilling carried out some time ago indicated two ore zones which are to be explored underground. Nearly $50,000 has been placed in the company's treasury recently to carry out the projected programme.

Finances for the programme are being supplied by Haras Corp. of Toronto.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	1,475,000 sh.	$1

Sturgeon River

Underground exploration at the property of Sturgeon River Gold Mines in 1940 gave encouraging results. On a new level established at 1,580 ft. depth a new vein has been opened up parallel to the main No. 3 vein, from which practically the entire mill feed has been drawn to date. The parallel vein has been opened up for a length of 295 ft., of which 187 ft. averages 0.35 oz. across 30 inches.

From monthly production reports issued it appears likely that earnings for 1940 exceeded the 2.4 cents a share reported for the previous year. An initial dividend of 2 cents a share was paid last April and even after payment of this dividend there was probably 10 cents a share in working capital remaining in the company's treasury.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,749,758 sh.	$1

Price Range

	High	Low
1940	$0.20½	$0.09
1939	0.24¾	0.09

BROULAN

PORCUPINE MINES LIMITED

(NO PERSONAL LIABILITY)

Incorporated under the laws of the Province of Ontario

Capitalization: Authorized ($1 Par Value)	3,000,000 shares
Issued	2,694,005 shares

OFFICERS AND DIRECTORS:

Directors

B. W. LANG
President

W. F. JAMES — G. B. WEBSTER — J. B. STREIT

Secretary D. R. MICHENER — *Mine Manager* WALTER F. BROWN — *Asst. Secretary* H. S. DAY

Consulting Geologists
W. F. JAMES—B. S. W. BUFFAM

Transfer Agent and Registrar
CHARTERED TRUST AND EXECUTOR COMPANY
Toronto, Ontario.

Preparation for erection of Surface Plant started October 1, 1938.
Shaft sinking started December 4th, 1938.
Production commenced in leased Mace Mill November 4, 1939.
Production commenced in new Broulan Mill November 1, 1940.
First Dividend (3c. per share) paid September 30, 1940.
Bullion production during 1940 — $1,190,484.

Head Office: 372 Bay Street, Toronto, Ontario **Mine Office: Pamour, Ontario**

STEEP ROCK IRON MINES LIMITED

OFFICERS and DIRECTORS

President—JOSEPH ERRINGTON Vice-President—JULIAN G. CROSS
Director—DONALD M. HOGARTH Director—CHARLES D. KAEDING
Director—RUSSELL D. BRADSHAW
Secretary-Treasurer—G. G. BLACKSTOCK
Consulting Engineer—ELDON L. BROWN

This company has outlined two hematite deposits of unusual size and has secured preliminary indications of other important deposits on its property. Nearly three hundred diamond drill holes have been bored and considerable other advance work has been accomplished.

Large scale plans for the opening up of the high grade iron orebodies are in preparation along lines intended to ensure large tonnage production at low cost.

Located at the Head of the Lakes, readily accessible to the great industrial areas of Canada and the United States, these iron deposits constitute:

1—A keen-edged weapon in the Empire's War Effort.

2—An instrument which must expand our iron and steel industries and our hydro power development.

3—An implement which will inevitably cultivate growing industrial prosperity in this Dominion, when we shall have won the peace.

4—A promise that when Canada's soldiers, sailors and airmen return from active service, a broad and growing development, based upon iron deposits akin to those which made the United States a great industrial nation, will provide widespread opportunities for their absorption into civil life.

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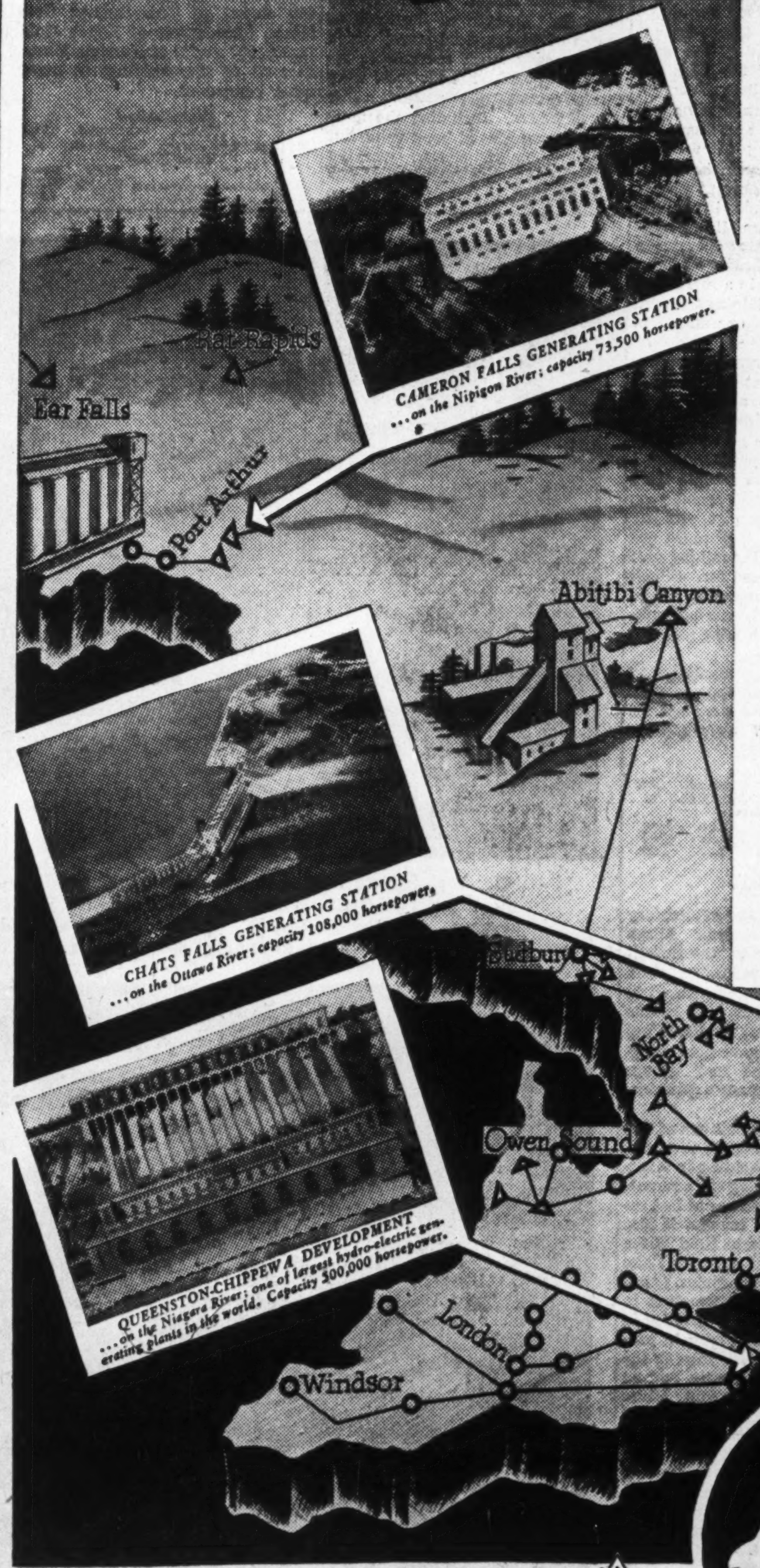

WITH firm faith in the ideal of co-operative municipal enterprise—designed to provide power "at cost" for all—towns large and small joined hands in Hydro partnership. Since those early days, Ontario citizens have invested close to $500,000,000 in Hydro, their own successful electric service utility. And today's record shows the result . . .

Today, all classes in Ontario enjoy the economies and living benefits that come from the use of over two million horsepower—developed in forty-six Hydro generating stations—distributed over thousands of miles of Hydro lines. *Today,* Hydro service in your home costs you less than ever—over the years, rates have gone down, down, *down*—you pay, now, only about ¼ the cost of not so long ago. *Today,* there are over 110,000 rural users of Hydro service, including approximately 50,000 farms wired to take advantage of labour-saving, Hydro-operated electrical "hired men". *Today,* Ontario's mining industry is a young giant grown into manhood, helped by Hydro's work in wiring the wilderness.

And today, your Hydro system is doing its bit on "the front line that runs through the factories". With ten times the system capacity of 1914, Hydro power is turning the wheels of war production—speeding the output of trucks and tanks, ships and shells, guns and greatcoats, bombers and bullets.

That is why, today, you can be proud of your Hydro—and of what it has achieved in these short thirty years. Hydro is part and parcel of your town . . . it is vital to Canada's war effort . . . and it is sound and strong, because of your support. Let that support be unflagging . . . use Hydro because it is *yours.*

HN-21

△ GENERATING STATIONS
——— MAIN LINES OF POWER TRANSMISSION

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THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

Dividends Aid Holding Companies

Gives Steadier Revenue Than Profits From Market

With interest in developing new mining properties remaining at a low ebb, there was no great inducement for holding companies to undertake financing of new projects last year. Consequently, investor interest in holding companies' shares — never really great — has reached perhaps a new low.

But despite this, the position of many holding companies has shown improvement even if a large amount of new work has not been done. Investment portfolios have been cleaned up and many previous commitments have started to bring in regular dividend income. In some instances this dividend income is proving a much more satisfactory source of revenue than the speculative profits realized about five years ago when the public seemed eager to buy anything in the nature of a mining stock.

While holding companies have not been active in the early stages of mine exploration, they continue to finance the later stages whenever the opportunity presents itself. If prospecting is made more attractive —as the Dominion Government apparently wants to make it—holding companies will still have the resources to take to the field in the search for new mines. Any new search will likely be for gold as present fixed prices for base metals lend no attraction and base metal mines take years to develop once found.

As holding companies find themselves with a large income through dividends received, it is just possible that increased exploration will be undertaken. If money spent on exploration is exempted from income tax, this will almost certainly be the case.

Here is the record on Canada's leading mining holding companies:

Ventures Ltd.

When Falconbridge Nickel Mines was forced to suspend dividend payments in 1940, Ventures Ltd. lost its chief source of income. Despite this handicap, however, the company has been able to make progress. In La Luz Mines the company appears to have a producer which may contribute more in dividends than Falconbridge. Falconbridge now seems to be on the road to recovery with smelting activities back to normal; profits will likely return gradually.

Offsetting loss of Falconbridge income in 1940 were higher dividend distributions from Beattie Gold Mines and Coniaurum Mines, and initial dividends from Matachewan Consolidated and Guysborough Mines. Fortunately, commitments on new enterprises were limited in character so that loss of revenue did not prove a serious handicap.

Completion of financing for Hoyle Gold Mines was arranged by means of a bank loan.

Ventures is by far the largest shareholder in La Luz Mines and holds an additional interest through Sudbury Basin Mines. Beattie Gold Mines, Coniaurum Mines, Falconbridge Nickel Mines, Sudbury Basin Mines, Canadian Malartic and Hoyle Gold Mines are the companies in which Ventures has the largest interest outside of La Luz Mines.

Capitalization

	Author.	Outstand.	Par
Common	2,000,000 sh.	1,573,951 sh.	n.p.v.

Price Range

	High	Low
1940	$4.35	$1.95
1939	5.80	3.75

Anglo-Huronian

Investment income of Anglo-Huronian increased in 1940 to the point where it proved possible to commence regular distributions to shareholders. On declaration of a dividend of 10 cents a share for payment at the end of 1940, the company's president declared that he expected investment income would allow payment of approximately 20 cents per share a year while still allowing the company to continue its programme of new exploration.

Most of Anglo-Huronian's important investments are in the dividend-paying category now. Investments include Yukon Consolidated Gold Corp., Sigma Mines, Lamaque Gold Mines and Kerr-Addison Gold Mines.

On Oct. 14, 1940, 55.07% of the company's assets was in gold mines, 6.45% was in base metals, 12% was in bonds, 15.5% was in oils and 6.2% in cash and accounts receivable. These investments were spread not just across Canada but 30.29% of the company's assets was in the United States and 1% in Great Britain. Break-up value as at Oct. 15, 1940, was estimated at $3.89 a share.

Besides producing enterprises, Anglo-Huronian has participated in financing of Laguerre Gold Mines where a wide low grade ore body is being outlined. A substantial interest is also held in Mace Gold Mines, now under development by Hollinger.

Capitalization

	Author.	Outstand.	Par
Common	2,000,000 sh.	1,500,000 sh.	n.p.v.

Price Range

	High	Low
1940	$3.00	$1.40
1939	3.25	2.00

Mining Corp.

Hopes of officials of Mining Corp. of Canada that earning power of the company can eventually be restored have been bolstered considerably by the development of Jerome Gold Mines. A mill of 500 tons capacity will be placed on the Jerome property this spring and from present indications it is believed a considerable margin of profit can be realized with an operation of the type planned.

Mining Corp. has not only participated in the financing of Jerome but had an important vendor position so that it is anticipated that the company will hold either directly or indirectly over half the authorized capital of three million shares when financing is completed. Backlog of Mining Corporation's investment portfolio, of course, still remains its holdings of 81,787 shares of Hudson Bay Mining and Smelting Co.

Mining Corp. holds nearly 2.5 million shares of Normetal Mining Corp. but so far this company has not proved a source of income. Fixed prices for copper and zinc do not permit Normetal much margin of operating profit at the present time. Other share holdings reported for Mining Corp. include 799,500 of Base Metals Mining Corp., 112,500 of Kerr-Addison Gold Mines as well as many other miscellaneous holdings.

Capitalization

	Author.	Outstand.	Par
Common	2,000,000 sh.	1,754,006 sh.	n.p.v.

Price Range

	High	Low
1940	$1.33	$0.40
1939	2.05	1.00

Sudbury Basin

Income of Sudbury Basin Mines in 1940 probably showed severe contraction due to elimination of dividends by Falconbridge Nickel Mines in which the company owns 1,188,810 shares. In 1939, approximately $450,000 of a $511,709 total income had come from Falconbridge.

Offsetting the Falconbridge situation, however, Beattie Gold Mines and Canadian Malartic Gold Mines both increased dividend distributions in 1940 while Matachewan Consolidated Mines and Sherritt Gordon Mines both commenced payment of dividends, increasing Sudbury Basin's income by some $50,000.

In the course of a year or two, Sudbury Basin can anticipate dividends from La Luz Mines, in which the company holds a substantial interest, and also from Hoyle Gold Mines which commenced production just a month ago. While income is low at present, no important new capital commitments have been taken on and expenses are not great. Earnings for 1940, of course, will be much lower than the 19 cents a share reported for 1939, it is anticipated.

Sudbury Basin is controlled by Ventures Ltd.

Capitalization

	Author.	Outstand.	Par
Common	2,000,000 sh.	1,689,505 sh.	n.p.v.

Price Range

	High	Low
1940	$2.05	$0.85
1939	3.00	1.70

Premier Gold

Income of Premier Gold Mining Co. is now chiefly derived from three sources: Toburn Gold Mines, operating at the eastern end of the main producing section of the Kirkland Lake area; from Silbak Premier, operating the old Premier mine and adjoining properties; and from Big Bell Mines, operating in western Australia. Besides these, however, the company has important potential sources of income in 371,440 shares of Saudi Arabian Mining Syndicate (this syndicate operates a 300-ton mill on the "Cradle of Gold" mine in Arabia), and in a 10% interest in Neptune Gold Mining Co. with a 450-ton milling operation in Nicaragua.

Full details of Premier's operations in 1940 will not be available until the company's annual report is issued, but it appears likely that income increased the past year. Toburn Gold Mines recently increased its dividend rate and income from this source during the current year will likely be still greater. At Big Bell, approximately 30% more ore is being milled than the milling unit was originally designed for. Silbak Premier has had somewhat disappointing ore developments but substantial dividends are being paid out of depletion reserves.

Unless some heavy unanticipated expenses occurred, it appears that earnings for last year were not far distant from the 9.7 cents a share reported for 1939.

Capitalization

	Author.	Outstand.	Par
Common	5,000,000 sh.	5,000,000 sh.	$1

Price Range

	High	Low
1940	$1.42	$0.75
1939	2.40	1.10

Northern Canada

After several years of exploratory effort, Northern Canada Mines made a gold strike in the Savant Lake area near Sioux Lookout, Ont. Drilling of showings uncovered is now being undertaken. No results on this work are yet available but surface exploration gave gold showings on each of the four groups staked by the company's prospectors.

Aside from the possibilities of this new find, chief interest in the company centres in its holding in Kirkland Lake Gold Mining Co. amounting to over 500,000 shares at last report. A substantial interest is also held in Kirkland Basin Gold Mines which remains under option to Lake Shore Mines which it adjoins. Other interests include a participation in drilling of the Amphi properties in the Malartic area of Quebec, a participation in the Woco option in the Woman Lake area, Ontario, and an interest in Laguerre Gold Mines which is now outlining an ore shoot by diamond drilling on its property in the Larder Lake area.

Investments with book value of $688,371 as at Sept. 30, 1940, had a market value of $715,423 at that date. Additional working capital amounted to $37,694.

Capitalization

	Author.	Outstand.	Par
Common	1,500,000 sh.	1,000,000 sh.	n.p.v.

Price Range

	High	Low
1940	$0.62	$0.30
1939	0.60	0.44

Nipissing

Greater dividend income from Beattie Gold Mines probably made the 1940 income of Nipissing Mining Co. the highest in some years. Even after allowing for excess profits taxation, profits last year were probably equal to or greater than the 15.1 cents a share reported in 1939. A dividend of 15 cents a share was paid last year, the same amount as in the two previous years. Some diamond drill exploration was carried out on a property in southern Porcupine last year but outside of this little work is believed to have been done. Expenditures on the Picacho property in California were curtailed due to the war.

Financial position of the company remains very strong. Last November, government, rail and corporation bonds, other investments and value of ore on hand totalled $2,048,858. In addition, the company held 1,441,961 shares of Beattie Gold Mines with a market value of $1,658,255. This total works out at approximately $3.00 a Nipissing share.

Capitalization

	Author.	Outstand.	Par
Common	1,200,000 sh.	1,200,000 sh.	$5

Price Range

	High	Low
1940	$1.45	$0.85
1939	1.80	1.05

Conwest Exploration

Since its incorporation in June, 1938, Conwest Exploration Co. has met with considerable success in its activities on the Pacific coast. The company has been successful in financing two properties to production and a search for other properties of merit is continuing.

Willow Creek Mines in Alaska was the first property Conwest was successful in bringing into production. Previous operators had carried on production at a small mill but it remained for Conwest to solve a difficult faulting problem so that production could be resumed. Willow Creek started dividends in 1939.

A loan of $128,400 made by Conwest to finance mill construction at Mount Zeballos Gold Mine in the Zeballos field of Vancouver Island, was completely paid off by Aug. 7, 1940. An initial dividend of 10 cents a share was paid on December 28, 1940. Conwest's proportion of the dividend would amount to approximately $55,000.

Capitalization

	Author.	Outstand.	Par
Common	2,000,000 sh.	1,250,007 sh.	n.p.v.

Castle Trethewey

Chief interest in Castle Trethewey Mines now lies in its investment portfolio. Outside of the 2,460,000 shares of Omega Gold Mines which the company owns, marketable securities as at March 31, 1940, were carried at $769,739; market value was $2,261,264. Including the marketable securities at book value but not the Omega shares, working capital as at March 31, 1940, amounted to $969,202.

In addition Castle Trethewey also has made $400,000 of advances to Omega. The company still holds a former silver-producing property in the Gowganda district of Ontario but no production has been carried on since April, 1931, due to the low price of silver.

Capitalization

	Author.	Outstand.	Par
Common	3,000,000 sh.	2,709,002 sh.	$1

Price Range

	High	Low
1940	$0.75	$0.55
1939	1.05	0.62½

Transcontinental

A consolidation of Oro Plata Mining Corp. and certain assets of T. L. and B. Ltd., a private company, Transcontinental Resources has a large portfolio of stocks in mining enterprises both within and outside of Canada. Holdings include 375,000 shares of Steep Rock Iron Mines, 30,000 shares and $30,000 of debentures of Transcontinental Timber Co. carried at $630,000, and 58,919 shares and $49,550 of notes of Bonneville Ltd., carried at $167,388. Other holdings include unstated amounts of MacLeod-Cockshutt Gold Mines, Coniaurum Mines, La Luz Mines and Manikuru Goldfields, etc., all carried at $301,296. Valuation based on bid prices as at June 18, 1940, amounted to $1,723,684. Where there was no market, estimated earning power was used as a basis for valuation.

Transcontinental Resources has outstanding a $600,000 issue of 5% ten-year convertible debentures. Debentures are convertible on the basis of one hundred shares for $100 par value of debentures.

Capitalization

	Author.	Outstand.	Par
Common	4,000,000 sh.	2,827,007 sh.	n.p.v.
5% 10-yr. debs.	$600,000	$600,000	...

Price Range

	High	Low
1940	$0.46	$0.33

Bobjo Mines

During the last year, Bobjo Mines has met with considerable success in development of a process for recovery of magnesium, it is reported. In view of the importance of magnesium in wartime, it is possible that process may prove a real asset to the company.

At the end of 1939, last statement reported, the company had a large portfolio of investments which included 304,316 shares of God's Lake Gold Mines, 501,875 shares of Sand River Gold Mining Co., 40,000 shares of Paymaster Consolidated, 500 shares of Wright-Hargreaves Mines, 500 shares of Teck-Hughes Gold Mines, 6,200 shares of Leitch Gold Mines, 500 shares of Noranda Mines, as well as shareholdings in many other companies.

Capitalization

	Author.	Outstand.	Par
Common	5,000,000 sh.	4,186,802 sh.	$1

Price Range

	High	Low
1940	$0.11½	$0.03½
1939	0.22	0.05½

McINTYRE PORCUPINE MINES, LIMITED

(No Personal Liability)

Incorporated under the laws of the Province of Ontario.

CAPITAL STOCK

Authorized: 800,000 shares, par value $5.00 .... $4,000,000
Issued: 798,000 shares, par value $5.00 3,990,000

DIRECTORS AND OFFICERS

J. P. BICKELL, President and Managing Director, TORONTO, ONT.
BERNARD E. SMITH, Vice-President and Director, BEDFORD, N.Y.
STRACHAN JOHNSTON, K.C., Director, TORONTO, ONT.
D. H. McDOUGALL, Director, MONTREAL, QUE.
R. S. McLAUGHLIN, Director, OSHAWA, ONT.
E. D. FOX, Secretary
BALMER NEILLY, Treasurer
R. J. ENNIS, General Manager, SCHUMACHER, ONT.

Transfer Agents:
The Toronto General Trusts Corporation - Toronto
Bankers Trust Company of New York - - New York

Registrars:
The Trusts & Guarantee Company Ltd. - - Toronto
The Chase National Bank - - - - - - New York

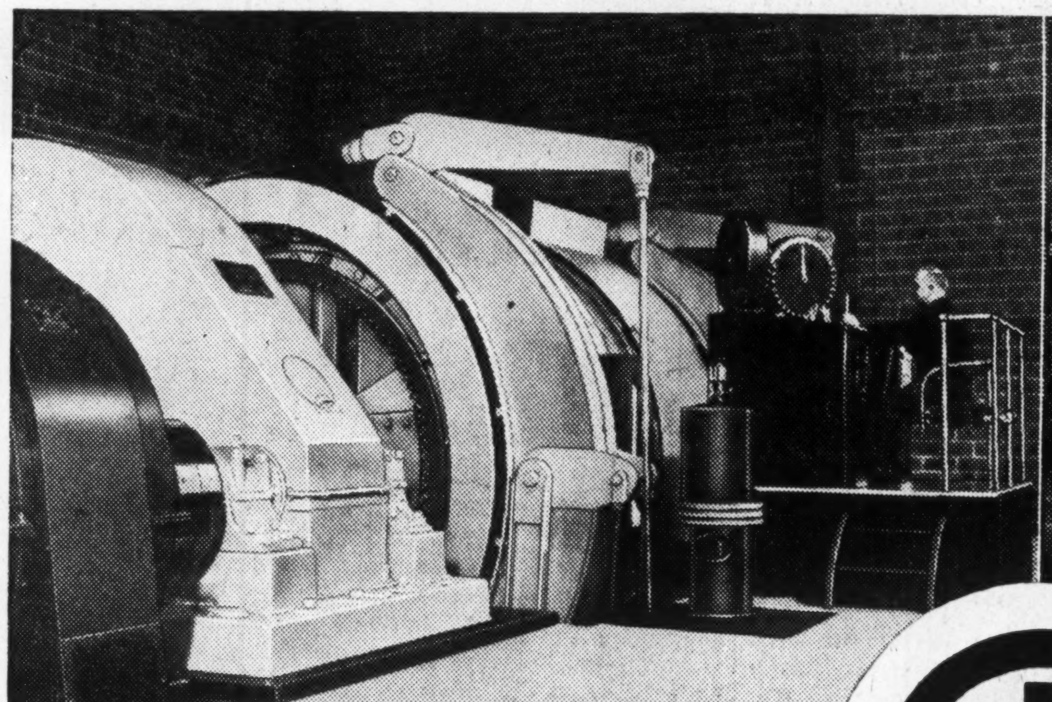
AUDITORS: GUNN, ROBERTS & COMPANY, Chartered Accountants, TORONTO

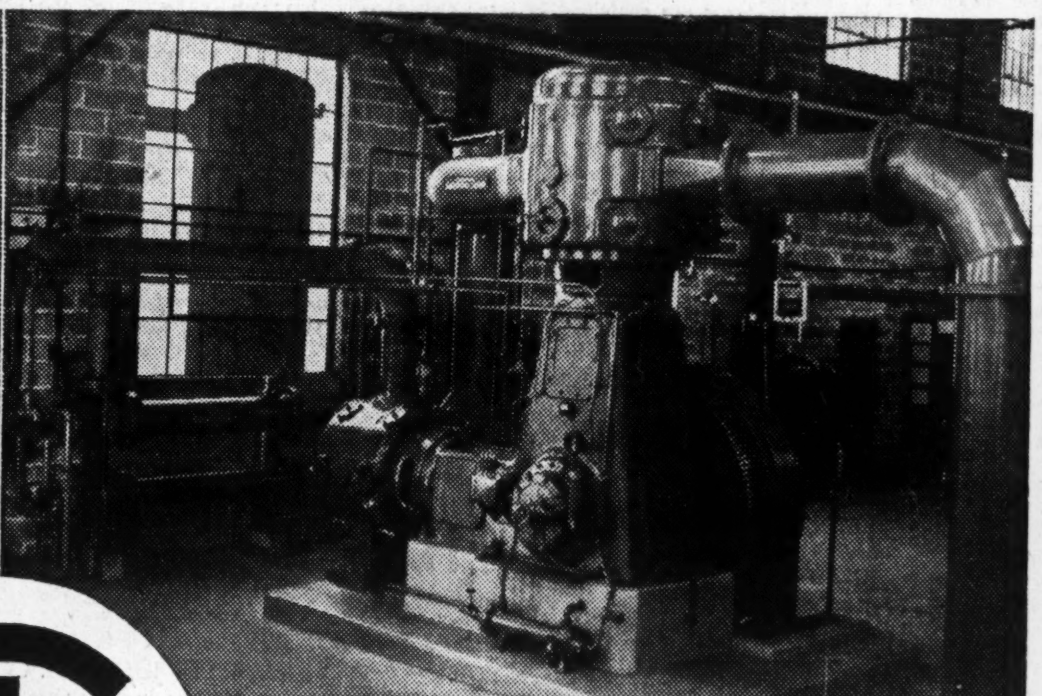
PRODUCTION SINCE THE BEGINNING OF MILLING OPERATIONS IN 1912

Date.	Period.	Tons Milled.	Value Per Ton.	Gross Value.	Recovery Per Ton.	Total Value.	Price Received Per Ounce for Gold.
1912	12 months	14,500	$ 7.00	$ 101,555.16	$ 5.25	$ 76,166.38	
1913	12 months	31,979	7.85	251,314.45	7.05	225,752.25	
Jan. 1/14 to Mar. 31/15	15 months	85,654	8.87	760,232.16	8.39	718,331.71	
Apr. 1/15 to Mar. 31/16	12 months	105,758	7.71	815,345.49	7.38	779,990.94	
Apr. 1/16 to June 30/17	15 months	195,307	10.00	1,954,793.28	9.55	1,864,914.28	
July 1/17 to June 30/18	12 months	178,327	10.05	1,793,197.55	9.61	1,714,258.00	
July 1/18 to June 30/19	12 months	179,874	9.78	1,759,627.40	9.29	1,671,646.03	
July 1/19 to June 30/20	12 months	188,835	11.52	2,175,891.31	11.02	2,080,178.44	
July 1/20 to June 30/21	12 months	171,916	11.67	2,005,672.00	11.08	1,904,326.36	
July 1/21 to June 30/22	12 months	193,971	10.69	2,074,088.40	9.99	1,937,105.07	$20.67
July 1/22 to June 30/23	12 months	240,615	9.96	2,397,303.00	9.35	2,249,741.63	
July 1/23 to June 30/24	12 months	360,140	9.69	3,488,863.00	9.14	3,291,178.22	
July 1/24 to June 30/25	12 months	400,259	9.43	3,774,068.00	8.86	3,546,637.52	
July 1/25 to June 30/26	12 months	460,909	8.72	4,020,326.00	8.25	3,804,774.90	
July 1/26 to Mar. 31/27	9 months	385,409	8.08	3,113,500.07	7.67	2,957,060.97	
Apr. 1/27 to Mar. 31/28	12 months	520,460	8.09	4,207,553.00	7.66	3,987,634.94	
Apr. 1/28 to Mar. 31/29	12 months	538,165	8.24	4,433,378.00	7.83	4,212,624.82	
Apr. 1/29 to Mar. 31/30	12 months	550,495	8.46	4,657,188.00	8.05	4,433,626.45	
Apr. 1/30 to Mar. 31/31	12 months	558,115	8.84	4,934,122.00	8.30	4,633,140.73	
Apr. 1/31 to Mar. 31/32	12 months	655,030	8.47	5,548,278.10	8.10	5,305,475.29	21.95
Apr. 1/32 to Mar. 31/33	12 months	736,300	8.45	6,224,493.40	8.12	5,981,714.69	22.79
Apr. 1/33 to Mar. 31/34	12 months	776,845	10.68	8,296,704.60	10.24	7,957,252.54	31.50
Apr. 1/34 to Mar. 31/35	12 months	862,100	10.23	8,819,660.27	9.78	8,430,670.26	34.67
Apr. 1/35 to Mar. 31/36	12 months	873,000	9.88	8,621,410.67	9.38	8,190,639.14	35.17
Apr. 1/36 to Mar. 31/37	12 months	864,500	10.00	8,641,205.24	9.49	8,201,416.94	34.99
Apr. 1/37 to Mar. 31/38	12 months	871,200	9.75	8,495,286.60	9.25	8,061,906.45	34.996
Apr. 1/38 to Mar. 31/39	12 months	871,900	10.10	8,809,415.12	9.61	8,375,335.71	35.23
Apr. 1/39 to Mar. 31/40	12 months	883,780	10.50	9,280,648.46	9.95	8,793,575.06	37.06
		12,755,343	$ 9.52	$121,455,120.73	$ 9.04	$115,387,075.72	

Executive Offices:
25 King Street West - TORONTO

Location of Mines, Plant and Head Office:
SCHUMACHER, ONTARIO





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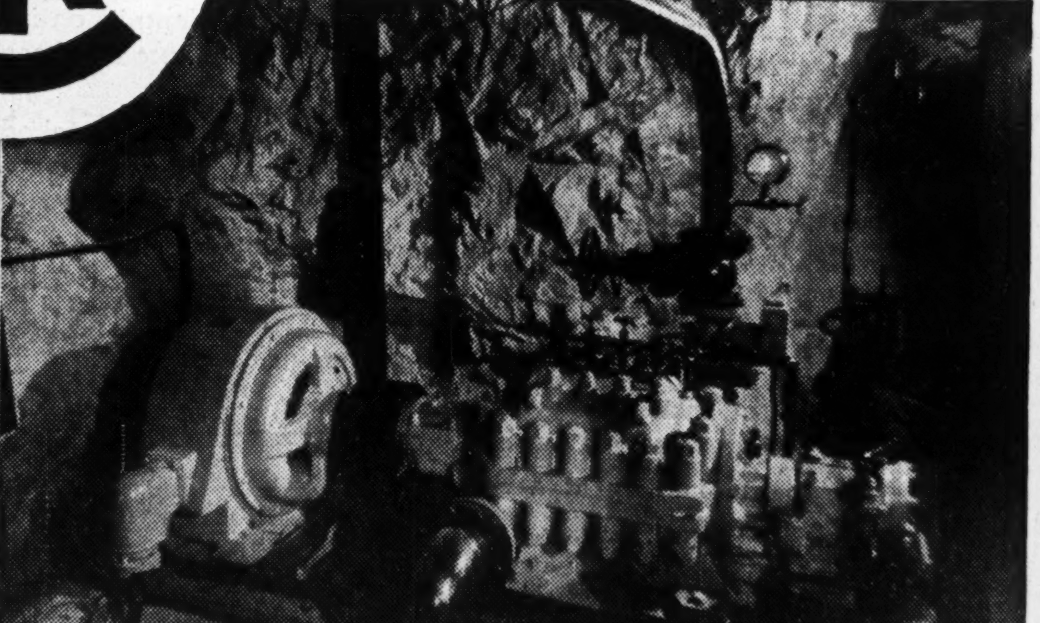

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